

Rubin & Hays

ATTORNEYS AT LAW

Kentucky Home Trust Building, 450 South Third Street, Louisville, Kentucky 40202-1410
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CHARLES S. MUSSON
W. RANDALL JONES
CHRISTIAN L. JUCKETT

PARALEGAL
MARY M. EMBRY

July 19, 2006

RECEIVED
JUL 20 2006
PUBLIC SERVICE
COMMISSION

Ms. Elizabeth O'Donnell
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602-0615

Re: Western Rockcastle Water Association, Inc.

Dear Ms. O'Donnell:

Case No. 2006-00358

Enclosed please find the original and ten (10) copies of the Application of the Western Rockcastle Water Association for a Certificate of Public Convenience and Necessity to construct, finance and increase rates pursuant to KRS 278.023.

Also enclosed are eleven (11) copies of the exhibits required pursuant to 807 KAR 5.069, with the exception of the Preliminary and Final Engineering Reports, of which two copies are enclosed.

If you need any additional information or documentation, please let us know.

Sincerely,

Rubin & Hays

By 
W. Randall Jones

WRJ:jkm
Enclosures

cc: Mr. Deron Byrne, PE
Mr. Charles D. Burton, WRWA

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED
JUL 20 1010
PUBLIC SERVICE
COMMISSION

In the Matter of:

**THE APPLICATION OF WESTERN ROCKCASTLE
WATER ASSOCIATION, INC., OF ROCKCASTLE,
LINCOLN, GARRARD AND PULASKI COUNTIES,
KENTUCKY FOR A CERTIFICATE OF PUBLIC
CONVENIENCE AND NECESSITY TO CONSTRUCT,
FINANCE AND INCREASE RATES PURSUANT
TO THE PROVISIONS OF KRS 278.023**)
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Case No. 2006-00358

A P P L I C A T I O N

This Application of the Western Rockcastle Water Association, Inc., (the "Applicant") of Rockcastle, Lincoln, Garrard and Pulaski Counties, Kentucky, respectfully shows:

1. That the Applicant is a non-profit water association of Rockcastle, Lincoln, Garrard and Pulaski Counties, Kentucky, created and existing under and by virtue of Chapter 273 of the Kentucky Revised Statutes. Applicant's Articles of Incorporation are on file with the Public Service Commission in **Case No. 98-099**.

2. That the post office address of the Applicant is:

Western Rockcastle Water Association, Inc.
c/o Mr. Charles D. Burton, President
P.O. Box 627
Mt. Vernon, Kentucky 40456

3. That the Applicant, pursuant to the provisions of KRS 278.020 and 278.023, seeks (i) a Certificate of Public Convenience and Necessity, permitting the Applicant to construct a waterworks construction project, consisting of extensions, additions, and improvements (the "Project") to the existing waterworks system of the Applicant; (ii) approval of the proposed plan of financing said Project; and (iii) an increase in Applicant's rates and charges.

4. That the proposed construction project consists of the installation of approximately 40,700 linear feet of 3 and 4-inch water line and appurtenances and construction of a new PRV station and an upgrade to an existing PRV station.

5. That the Applicant proposes to finance the construction of the Project through (i) issuance of a \$125,000 Promissory Note, (ii) a grant from USDA, Rural Development ("RD") in the amount of \$125,000; (iii) an Appalachian Regional Commission ("ARC") grant in the amount of \$250,000; (iv) a Tobacco Development Fund ("TDF") grant in the amount of \$63,000; and (v) a contribution from the Applicant in the amount of \$12,000. The Applicant has a commitment from RD to purchase said \$125,000 note maturing over a 40-year period, at an interest rate of not exceeding 4.50% per annum, as set out in the RD Letter of Conditions, as amended, filed herewith as an Exhibit.

6. That the Applicant does not contemplate having the Project constructed with any deviation from minimum construction standards of this Public Service Commission.

7. That the Applicant files herewith the following Exhibits pursuant to 807 KAR 5:069 in support of this Application:

- A. Copy of RD Letter of Conditions, as amended.
- B. Copy of RD Letter of Concurrence in Bid Award.
- C. Copy of Preliminary and Final Engineering Reports.
- D. Certified statement from the President of the Applicant, based upon statements of the Engineers for the Applicant, concerning the following:
 - (1) The proposed plans and specifications for the Project have been designed to meet the minimum construction and operating requirements set out in 807 KAR 5:066, Section 4(3) and (4); Section 5(1); Sections 6 and 7; Section 8(1) through (3); Section 9(1) and Section 10;
 - (2) All other state approvals or permits have already been obtained;
 - (3) The proposed rates of Applicant shall produce the total revenue requirements set out in the engineering reports; and
 - (4) Setting out the dates when it is anticipated that construction will begin and end.

8. That Applicant has arranged for the publication, prior to or at the same time this Application is filed, of a Notice of Proposed Rate Change pursuant to Section 2 of 807 KAR 5:069, in the *Mount Vernon Signal*, *Pulaski News Journal*, *the Garrard Central Record* and *Interior Journal*, which are the newspapers of general circulation in Applicant's service area and in Rockcastle, Pulaski, Garrard and Lincoln Counties, Kentucky. Said Notice sets out the current rates and the proposed rates of Applicant and a short description of the Project. A copy of said Notice is filed herewith as **EXHIBIT D**.

9. That the foregoing constitutes the documents necessary to obtain the approval of the Commission in accordance with Section 278.023 of the Kentucky Revised Statutes and in accordance with the Filing Requirements specified in 807 KAR 5:069, Section 1.

WHEREFORE, the Applicant, the Western Rockcastle Water Association, Inc., asks that the Public Service Commission of the Commonwealth of Kentucky grant to the Applicant the following:

- a. A Certificate of Public Convenience and Necessity permitting the Applicant to construct a waterworks project consisting of extensions, additions, and improvements to the existing waterworks system of the Applicant.
- b. An Order approving the financing arrangements made by the Applicant, viz., the issuance of a \$125,000 Promissory Note at an interest rate of not exceeding 4.50% per annum; an RD grant in the amount of \$125,000; an ARC grant in the amount of \$250,000; a TDF grant in the amount of \$63,000; and a contribution from the Applicant in the amount of \$12,000.
- c. An Order approving the proposed increased rates as set out in Section 25 of the RD Letter of Conditions, as amended, filed herewith as an Exhibit.

Western Rockcastle Water Association, Inc.

By: Charles D. Benton
President
Board of Directors

Rubin & Hays

By: Opus Jones
Counsel for Applicant
Kentucky Home Trust Building
450 South Third Street
Louisville, Kentucky 40202
(502) 569-7525



United States
Department of
Agriculture

Rural
Development

771 Corporate Drive, Suite 200
Lexington, KY 40503-5477
(859) 224-7336 TTY(859) 224-7422

May 13, 2003

Mr. Charles D. Burton, President
Western Rockcastle County Water Association, Inc.
P.O. Box 627
Mt. Vernon, Kentucky 40456

MAY 16 2003

Dear Mr. Burton:

This letter establishes conditions which must be understood and agreed to by you before further consideration may be given to the application. The loan and/or grant will be administered on behalf of the Rural Utilities Service (RUS) by the State and Area office staff of USDA Rural Development. Any changes in project cost, source of funds, scope of services or any other significant changes in the project or applicant must be reported to and approved by USDA Rural Development, by written amendment to this letter. Any changes not approved by Rural Development shall be cause for discontinuing processing of the application. It should also be understood that Rural Development is under no obligation to provide additional funds to meet an overrun in construction costs.

This letter is not to be considered as loan and/or grant approval or as a representation as to the availability of funds. The docket may be completed on the basis of a RUS loan not to exceed \$125,000, a RUS grant not to exceed \$125,000, and an Appalachian Regional Commission (ARC) grant of \$250,000.

If Rural Development makes the loan, the interest rate will be the lower of the rate in effect at the time of loan approval or the rate in effect at the time of loan closing, unless the applicant otherwise chooses. The loan will be considered approved on the date a signed copy of Form RD 1940-1, "Request for Obligation of Funds," is mailed to you.

Please complete and return the attached Form RD 1942-46, "Letter of Intent to Meet Conditions," if you desire that further consideration be given to your application.

The "Letter of Intent to Meet Conditions" must be executed within three weeks from the date of this letter or it becomes invalid unless a time extension is granted by Rural Development.

If the conditions set forth in this letter are not met within 240 days from the date hereof, Rural Development reserves the right to discontinue the processing of the application.

In signing Form RD 1942-46, "Letter of Intent to Meet Conditions," you are agreeing to complete the following as expeditiously as possible:

1. Number of Users and Their Contribution:

There shall be 4,039 water users, of which 3,991 are existing users and 48 are new users contributing \$12,000 in connection fees toward the cost of the project. The connection fees will be collected prior to advertising for construction bids and will be placed in the construction account at loan pre-closing, unless spent for authorized purposes prior to loan pre-closing. The Rural Development Manager will review and authenticate the number of users and amount of connection fees prior to advertising for construction bids.

1a. Grant Agreement:

Attached is a copy of RUS Bulletin 1780-12, "Water and Waste System Grant Agreement," for your review. You will be required to execute a completed form at the time of grant closing.

1b. Drug-Free Work Place:

Prior to grant approval, the Association will be required to execute Form AD-1049, "Certification Regarding Drug-Free Workplace Requirements (Grants) Alternative I - For Grantees Other Than Individuals."

2. Repayment Period:

The loan will be scheduled for repayment over a period not to exceed 40 years from the date of the Promissory Note. Principal payment will not be deferred for a period in excess of two years from the date of the Promissory Note. The Association will be required to adopt a supplemental payment agreement providing for monthly payments of principal and interest so long as the Promissory Note is held or insured by RUS.

3. Recommended Repayment Method:

Payments on this loan can be made using the Preauthorized Debit (PAD) payment method. This procedure eliminates the need for paper checks and ensures timely receipt of RD loan payments. To initiate PAD payments, Form SF 5510, "Authorization Agreement for Preauthorized Payments," should be signed by the Association to authorize the electronic withdrawal of funds from your designated bank account on the exact installment payment due date. The Rural Development Manager will furnish the necessary forms and further guidance on the PAD procedure.

4. Funded Depreciation Reserve Account:

The Association will be required to deposit \$60.00 per month into a "Funded Depreciation Reserve Account" until the account reaches \$7,200. The deposits are to be resumed any time the account falls below the \$7,200.

The required monthly deposits to the Reserve Account and required Reserve account levels are in addition to the requirements of the Association's prior note resolutions.

The monthly deposits to the Reserve Account are required to commence with the first month of the first full fiscal year after the facility becomes operational.

5. Security Requirements:

The loan will be secured by a real estate mortgage, a financing statement, and pledge of gross revenue, in the Loan Resolution and Financing Statement.

6. Land Rights and Real Property:

The Association will be required to furnish satisfactory title, easements, etc., necessary to install, maintain and operate the facility to serve the intended users. The pipelines will be on private rights-of-way where feasible. Easements and options are to be secured prior to advertising for construction bids.

7. Organization:

The Association will be legally organized under applicable KRS, which will permit them to perform this service, borrow and repay money.

8. Business Operations:

The Association will be required to operate the system under a well-established set of resolutions, rules and regulations. A budget must be established annually and adopted by the Association after review by Rural Development. At no later than loan pre-closing, the Association will be required to furnish a prior approved management plan to include, as a minimum, provisions for management, maintenance, meter reading, miscellaneous services, billing, collecting, bookkeeping, making and delivering required reports and audits.

9. Accounts, Records and Audits:

The Association will be required to maintain adequate records and accounts and submit annual budgets and year-end reports (annual audits) in accordance with 1780.47 of RUS Instruction 1780 and RUS Staff Instruction 1780-4, a copy of which is enclosed.

10. Accomplish Audits for Years in Which Federal Financial Assistance is Received:

The Association will accomplish audits in accordance with OMB Circular A-133, during the years in which federal funds are received. The Association will provide copies of the audits to the Area Office and the appropriate Federal cognizant agency as designated by OMB Circular A-133.

11. Insurance and Bonding:

The following insurance and bonding will be required:

- A. Adequate Liability and Property Damage Insurance including vehicular coverage, if applicable, must be obtained and maintained by the Association. The Association should obtain amounts of coverage as recommended by its attorney, consulting engineer and/or insurance provider.

- B. Worker's Compensation - The Association will carry worker's compensation insurance for employees in accordance with applicable state laws.
 - C. Fidelity Bond - The Association will provide Fidelity Bond Coverage for all persons who have access to funds. Coverage may be provided either for all individual positions or persons, or through "blanket" coverage providing protection for all appropriate employees and/or officials. The amount of coverage required for all RUS loans is \$181,000.
 - D. Real Property Insurance - The Association will obtain and maintain adequate fire and extended coverage on all structures including major items of equipment or machinery located in the structures. The amounts of coverage should be based on recommendations obtained by the Association from its attorney, consulting engineer and/or insurance provider. Subsurface lift stations do not have to be covered except for the value of electrical and pumping equipment therein.
 - E. Flood Insurance - The Association will obtain and maintain adequate coverage on any facilities located in special flood and mudslide prone areas.
12. Planning and Performing Development:
- A. The engineer should not be authorized to commence work on final plans and specifications until a determination has been made that the project can be planned and constructed within the estimated cost shown in paragraph "22" of this letter. The engineer may then proceed to develop final plans and specifications to be completed no later than 210 days from this date, and prepare bid documents. The Rural Development Manager is prepared to furnish the necessary guide for him to follow so as to keep the project plans and documents within our guidelines and requirements. The project should not be advertised for construction bids until all easements and enforceable options have been obtained, and total funds are committed or available for the project.
 - B. The following documents will be submitted to Rural Development for review and must be concurred in by Rural Development prior to advertisement for construction bids:
 - 1. Final plans, specifications and bid documents.
 - 2. Applicant's letter on efforts to encourage small business and minority - owned business participation.
 - 3. Legal Service Agreements.
 - 4. Engineering Agreements.
- Revision in these documents will be subject to Rural Development concurrence. Any agreements, contracts, etc. not reviewed and approved by Rural Development will not be eligible for payment from project funds or revenues from facilities financed by this Agency.

13. Compliance with Section 504 of the Rehabilitation Act of 1973:

The Association will be required to comply with Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), in order to make sure no handicapped individual, solely by reason of their handicap, is excluded from participation in the use of the water system, be denied the benefits of the water system, or be subjected to discrimination.

14. Closing Instructions:

The Office of General Counsel, our Regional Attorney, will be required to write closing instructions in connection with this loan. Conditions listed therein must be met by the Association.

15. Compliance with Special Laws and Regulations:

The Association will be required to conform with any and all state and local laws and regulations affecting this type project.

16. System Operator:

The Association is reminded that the system operator must have an Operator's Certificate issued by the State.

17. Prior to Pre-Closing the Loan, the Association will be Required to Adopt:

- A. Form RD 1942-8, "Resolution of Members or Stockholders."
- B. Form RUS Bulletin 1780-28, "Loan Resolution Security Agreement."
- C. Form RD 400-1, "Equal Opportunity Agreement."
- D. Form RD 400-4, "Assurance Agreement."
- E. Form AD-1047, "Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transaction."
- F. Form RD 1910-11, "Applicant Certification Federal Collection Policies for Consumer or Commercial Debts."
- G. RD Instruction 1940-Q, Exhibit A-1, "Certification for Contracts, Grants and Loans."

The Association must offer the opportunity for all residents in the service area to become users of the facilities regardless of race, creed, color, religion, sex, national origin, marital status, physical or mental handicap or level of income.

18. Refinancing and Graduation Requirements:

The Association is reminded that if at any time it shall appear to the Government that the Association is able to refinance the amount of the RUS indebtedness then outstanding, in whole or in part, by obtaining a loan from commercial sources at reasonable rates and terms, upon the request of the Government, the Association will apply for and accept such loan in sufficient amount to repay the Government.

19. Commercial Interim Financing:

The Association will be required to use commercial interim financing for the project during construction for the RUS loan portion of the financing, if available at reasonable rates and terms.

Before the loan is closed, the Association will be required to provide Rural Development with statements from the contractor, engineer and attorneys that they have been paid to date in accordance with their contract or other agreements and, in the case of the contractor, that he has paid his suppliers and sub-contractors.

20. Disbursement of Project Funds:

A construction account for the purpose of disbursement of project funds (RUS) will be established by the Association prior to start of construction. The position of officials entrusted with the receipt and disbursement of RUS project funds will be covered by a "Fidelity Bond," with USDA Rural Development as Co-Obligee, in the amount of construction funds on hand at any one time during the construction phase.

During construction, the Association shall disburse project funds in a manner consistent with subsection 1780.76 (e) of RUS Instruction 1780. Form RD 1924-18, "Partial Payment Estimate," or similar form approved by Rural Development, shall be used for the purpose of documenting periodic construction estimates, and shall be submitted to Rural Development for review and acceptance. Prior to disbursement of funds by the Association, the Board of Directors shall review and approve each payment estimate. All bills and vouchers must be approved by Rural Development prior to payment by the Association.

Form RD 440-11, "Estimate of Funds Needed for 30-Day Period Commencing _____," will be prepared by the Association and submitted to Rural Development in order that a periodic advance of federal cash may be requested.

Monthly audits of the Association's construction account records shall be made by Rural Development.

21. Disbursement of Grant Funds:

The RUS funds will be advanced as they are needed in the amount(s) necessary to cover the RUS proportionate share of obligations due and payable by the Association. Grant funds, upon receipt, must be deposited in an interest bearing account in accordance with 7 CFR part 3019 (as applicable). Interest earned on grant funds in excess of \$250 (as applicable) per year will be submitted to RUS at least quarterly.

22. Cost of Facility:

Breakdown of Costs:

Development	\$ 374,600
Land and Rights	1,000
Legal and Administrative	3,000
Engineering	87,000
Interest	10,000
Contingencies	<u>36,400</u>
TOTAL	\$ 512,000

Financing:

RUS Loan	\$ 125,000
RUS Grant	125,000
ARC Grant	250,000
Applicant Contribution	<u>12,000</u>
TOTAL	\$ 512,000

23. Debt Collection Improvement Act (DCIA) of 1996:

The Debt Collection Improvement Act (DCIA) of 1996 requires that all federal payments after January 1, 1999, must be made by Electronic Funds Transfer/Automated Clearinghouse (EFT/ACH). Borrowers receiving payments by EFT will have funds directly deposited to a specified account at a financial institution with funds being available to the recipient on the date of payment. The borrower should complete Form SF-3881, "Electronic Funds Transfer Payment Enrollment Form," for each account where funds will be electronically received. The completed form(s) must be received by Rural Development at least thirty (30) days prior to the first advance of funds.

24. Use of Remaining Project Funds:

The applicant contribution shall be considered as the first funds expended. After providing for all authorized costs, any remaining project funds will be considered to be RUS/ARC grant funds and refunded in proportion to participation in the project. If the amount of unused grant funds exceeds the grants, that part would be RUS loan funds.

25. Rates and Charges:

Rates and charges for facilities and services rendered by the Association must be at least adequate to meet cost of maintaining, repairing and operating the water system and meeting required principal and interest payments and the required deposits to debt service and/or depreciation reserve.

Water rates will be at least:

5/8" x 3/4" Meter:

First	2,000	gallons @ \$	14.40 - Minimum Bill.
Next	3,000	gallons @ \$	5.10 - per 1,000 gallons.
Next	5,000	gallons @ \$	4.70 - per 1,000 gallons.
Next	15,000	gallons @ \$	4.20 - per 1,000 gallons.
All Over	25,000	gallons @ \$	3.10 - per 1,000 gallons.

1" Meter:

First	5,000	gallons @ \$	29.70 - Minimum Bill.
Next	5,000	gallons @ \$	4.70 - per 1,000 gallons.
Next	15,000	gallons @ \$	4.20 - per 1,000 gallons.
All Over	25,000	gallons @ \$	3.10 - per 1,000 gallons.

1 1/2" Meter:

First	10,000	gallons @ \$	53.20 - Minimum Bill.
Next	15,000	gallons @ \$	4.20 - per 1,000 gallons.
All Over	25,000	gallons @ \$	3.10 - per 1,000 gallons.

2" Meter:

First	25,000	gallons @ \$	116.20 - Minimum Bill.
All Over	25,000	gallons @ \$	3.10 - per 1,000 gallons.

26. Water Purchase Contract:

The Association will submit a Water Purchase Contract for approval by Rural Development before advertising for construction bids. If the contract is not on Form RD 442-30, "Water Purchase Contract," the contract will require approval by our Regional Attorney. The contract must meet the requirements of subsection 1780.62 of RUS Instruction 1780.

27. Commitment of ARC Grant:

This Letter of Conditions is issued contingent upon a firm commitment being in effect prior to advertising for construction bids for the ARC Grant in the amount of \$250,000.

28. Floodplain Construction:

The Association will be required to pass and adopt a Resolution or amend its By-Laws whereby the Association will deny any water service to any future customer wishing to build on or develop property located within a designated floodplain. If a customer or developer requests service for construction in a designated floodplain, the customer or developer must provide evidence and a justification for approval by the Association and Rural Development officials that there are no other alternatives to construction or development within the designated floodplain. The community must be a participant in the National Flood Insurance Program (NFIP) and the customer or developer must obtain the required permits prior to the tap on restrictions being waived.

29. Mitigation Measures:

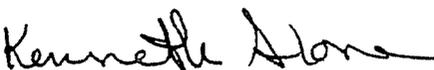
- A. The project shall be in compliance with all requirements noted in the Kentucky Department for Local Government letter dated November 7, 2002, from Mr. Ronald A. Cook, Manager.
- B. The design and construction shall be in compliance with the requirements of the U.S. Fish and Wildlife Service as requested by letter dated January 27, 2003, and signed by Virgil Lee Andrews, Jr., Field Supervisor.
- C. The line design and construction shall be accomplished in a way that will leave flood plains and farmland without affect after construction is complete. The Army Corps of Engineers Nationwide Permit No. 12 applies to all floodplain and wetland utility line construction.
- D. The design and construction shall be in compliance with all local, state and federal environmental statutes, regulations and executive orders applicable to the project.

30. Final Approval Conditions:

Final approval of this loan will depend on your willingness, with the assistance of all your co-workers, to meet the conditions of this letter in an orderly and systematic manner. Then too, final approval will depend on funds being available.

If you desire to proceed with your application, the Rural Development Manager will allot a reasonable portion of time to provide guidance in application processing.

Sincerely,


KENNETH SLONE
State Director

Enclosures

cc: Rural Development Manager - London, Kentucky
Community Development Manager - Richmond, Kentucky
Cumberland Valley ADD - London, Kentucky
Jerry Cox - Mt. Vernon, Kentucky
✓ Monarch Engineering - Lawrenceburg, Kentucky
PSC - ATTN: Bob Amato - Frankfort, Kentucky



JUN 21 2006

**United States Department of Agriculture
Rural Development**
Kentucky State Office

June 14, 2006

Mr. Charles D. Burton, President
Western Rockcastle County Water Association, Inc.
P.O. Box 627
Mt. Vernon, Kentucky 40456

Re: Letter of Conditions Dated May 13, 2003

Dear Mr. Burton:

This letter shall serve as Amendment No. 1 to the Letter of Conditions dated May 13, 2003. The purpose of this amendment is to revise the 1) total cost of the project, 2) project funding, 3) Civil Rights and EEO statement, 4) rates and charges, and make other editorial changes in accordance with the current Rural Utilities Service (RUS) Instruction.

The Second Paragraph on Page 1 is revised to read as follows:

“ This letter is not to be considered as loan and/or grant approval or as a representation as to the availability of funds. The docket may be completed on the basis of a RUS loan not to exceed \$125,000, a RUS grant not to exceed \$125,000, an Appalachian Regional Commission (ARC) grant of \$250,000, and a Kentucky Infrastructure Authority (KIA) Tobacco Development grant of \$63,000. ”

Paragraph numbered “13” is revised to read as follows:

“ 13. Civil Rights & Equal Opportunity:

You should be aware of and will be required to comply with other federal statute requirements including but not limited to:

A. Section 504 of the Rehabilitation Act of 1973:

Under Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), no handicapped individual in the United States shall, solely by reason of their handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Rural Development financial assistance.

B. Civil Rights Act of 1964:

All borrowers are subject to, and facilities must be operated in accordance with, Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and Subpart E of Part 1901 of this Title, particularly as it relates to conducting and reporting of compliance reviews. Instruments of conveyance for loans and/or grants subject to the Act must contain the covenant required by paragraph 1901.202(e) of this Title.

C. The Americans with Disabilities Act (ADA) of 1990:

This Act (42 U.S.C. 12101 et seq.) prohibits discrimination on the basis of disability in employment, state and local government services, public transportation, public accommodations, facilities, and telecommunications. Title II of the Act applies to facilities operated by state and local public entities that provide services, programs, and activities. Title III of the Act applies to facilities owned, leased, or operated by private entities that accommodate the public.

D. Age Discrimination Act of 1975:

This Act (42 U.S.C. 6101 et seq.) provides that no person in the United States shall, on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

Rural Development financial programs must be extended without regard to race, color, religion, sex, national origin, marital status, age, or physical or mental handicap. ”

Paragraph numbered "22" is revised to read as follows:

“ 22. Cost of Facility:

Breakdown of Costs:

Development	\$ 342,924
Legal and Administrative	15,000
Engineering	86,768
Interest	10,000
Contingencies	<u>120,308</u>
TOTAL	\$ 575,000

Financing:

RUS Loan	\$ 125,000
RUS Grant	125,000
ARC Grant	250,000
KIA Tobacco Development Grant	63,000
Applicant Connection Fees	<u>12,000</u>
TOTAL	\$ 575,000 ”

Paragraph numbered "24" is revised to read as follows:

" 24. Use of Remaining Project Funds:

The applicant connection fees shall be considered as the first funds expended. After providing for all authorized costs, any remaining project funds will be considered to be RUS/ARC/KIA grant funds and refunded in proportion to participation in the project. If the amount of unused project funds exceeds the grants, that part would be RUS loan funds. "

Paragraph numbered "25" is revised to read as follows:

" 25. Rates and Charges:

Rates and charges for facilities and services rendered by the Association must be at least adequate to meet cost of maintaining, repairing and operating the water system and meeting required principal and interest payments and the required deposits to debt service and/or depreciation reserve.

Water rates will be at least:

5/8" x 3/4" Meter:

First	2,000	gallons @ \$	16.90 - Minimum Bill.
Next	3,000	gallons @ \$	6.25 - per 1,000 gallons.
Next	5,000	gallons @ \$	5.89 - per 1,000 gallons.
Next	15,000	gallons @ \$	5.25 - per 1,000 gallons.
All Over	25,000	gallons @ \$	4.45 - per 1,000 gallons.

1" Meter:

First	5,000	gallons @ \$	35.65 - Minimum Bill.
Next	5,000	gallons @ \$	5.89 - per 1,000 gallons.
Next	15,000	gallons @ \$	5.25 - per 1,000 gallons.
All Over	25,000	gallons @ \$	4.45 - per 1,000 gallons.

1 1/2" Meter:

First	10,000	gallons @ \$	65.10 - Minimum Bill.
Next	15,000	gallons @ \$	5.25 - per 1,000 gallons.
All Over	25,000	gallons @ \$	4.45 - per 1,000 gallons.

2" Meter:

First	25,000	gallons @ \$	143.85 - Minimum Bill.
All Over	25,000	gallons @ \$	4.45 - per 1,000 gallons. "

Paragraph numbered "27" is revised to read as follows:

" 27. Commitment of Other Project Funds:

This Letter of Conditions is issued contingent upon a firm commitment being in effect prior to advertising for construction bids for the ARC grant in the amount of \$250,000 and for the KIA Tobacco Development grant in the amount of \$63,000. "

Paragraph numbered "31" is added to read as follows:

" 31. Compliance with the Bioterrorism Act:

Prior to pre-closing the loan, the Association will provide a certification they have completed a Vulnerability Assessment (VA) and prepared an emergency response plan (ERP) as required by the Safe Drinking Water Act (SDWA). "

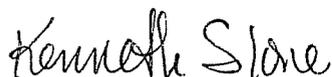
Paragraph numbered "32" is revised to read as follows:

" 32. Collection of Accounts Receivable:

According to provided information, 21% of the project's water revenue is uncollectible. This is not acceptable; therefore, the Association must provide a plan that will be enforceable to reduce the loss to a reasonable level. "

All other provisions of the referenced Letter of Conditions remain in full force and unchanged.

Sincerely,


KENNETH SLONE
State Director

cc: Area Director - London, Kentucky
✓ Rural Development Manager - Richmond, Kentucky
Cumberland Valley ADD - London, Kentucky
Jerry Cox - Mt. Vernon, Kentucky
Monarch Engineering - Lawrenceburg, Kentucky
PSC - ATTN: Bob Amato - Frankfort, Kentucky



United States Department of Agriculture
Rural Development
Kentucky State Office

June 21, 2006

SUBJECT: Western Rockcastle Water Association
Water System Improvements- Contract 7
Contract Award Concurrence

TO: Area Director
London, Kentucky

Based on the bids received and the recommendation of the consulting engineer, Rural Development concurs in the award of subject contract to the low bidder, United Pipeline, Inc., in the amount of \$342,924.00.

If you have any questions, please contact Julie Anderson, State Engineer, at (859) 224-7348.

A handwritten signature in cursive script that reads "Kenneth Slone".

KENNETH SLONE
State Director
Rural Development

cc: Monarch Engineering, Inc.
Lawrenceburg, Kentucky

Rubin and Hayes
Louisville, Kentucky

771 Corporate Drive • Suite 200 • Lexington, KY 40503
Phone: (859) 224-7300 • Fax: (859) 224-7425 • TDD: (859) 224-7422 • Web: <http://www.rurdev.usda.gov/ky>

Committed to the future of rural communities.

"USDA is an equal opportunity provider, employer and lender."
To file a complaint of discrimination write USDA, Director, Office of Civil Rights, Room 320-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice or TDD).

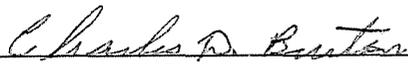
CERTIFICATE OF PRESIDENT OF WESTERN ROCKCASTLE WATER ASSOCIATION, INC., AS TO STATEMENT REQUIRED BY SECTION 1(5) OF 807 KAR 5:069

I, Charles D. Burton, hereby certify that I am the duly qualified and acting President of the Western Rockcastle Water Association, Inc., of Rockcastle, Lincoln, Garrard and Pulaski Counties, Kentucky, and that said Association is in the process of arranging to finance the construction of extensions, additions and improvements to the existing waterworks system of the Association (the "Project"), in cooperation with the Engineers for the Association, Monarch Engineering, Inc., Lawrenceburg, Kentucky.

Based on information furnished to me by said Engineers for the Association, I hereby certify as follows:

1. That the proposed plans and specifications for the Project have been designed to meet the minimum construction and operating requirements set out in 807 KAR 5:066, Section 4(3) and (4); Section 5(1); Sections 6 and 7; Section 8(1) through (3); Section 9(1) and Section 10.
2. That all other state approvals and/or permits have already been obtained.
3. That the rates proposed by the Association in its current Application filed with the Public Service Commission are contemplated to produce total revenue requirements set out in the Engineering Reports prepared by such Engineers and filed with the Public Service Commission.
4. That it is now contemplated that construction of the Project will begin on or about August 15, 2006, and will end on or about February 15, 2007.

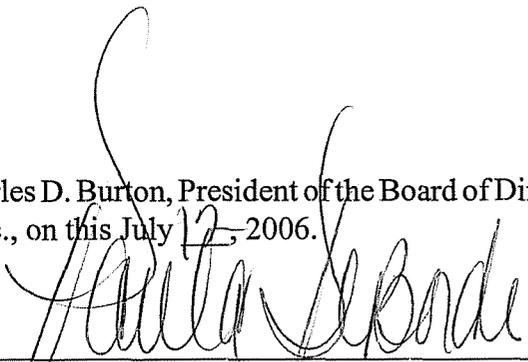
IN TESTIMONY WHEREOF, witness my signature this July 12, 2006.



 President
 Western Rockcastle Water Association, Inc.

STATE OF KENTUCKY)
) SS
 COUNTY OF ROCKCASTLE)

Subscribed and sworn to before me by Charles D. Burton, President of the Board of Directors of the Western Rockcastle Water Association, Inc., on this July 12, 2006.


 _____ 2/23/09
 Notary Public
 In and For Said State and County

(Seal of Notary)

NOTICE OF PROPOSED RATE CHANGE

In accordance with the requirements of the Public Service Commission of the Commonwealth of Kentucky as set out in 807 KAR 5:069, Section 2, notice is hereby given to the customers of the Western Rockcastle Water Association, Inc., of a change to the Association's rate schedule as set forth herein. The proposed rate change is required by USDA, Rural Development ("RD") in connection with a loan by RD to the District in the amount of \$125,000 to be evidenced by the issuance by the Association of its Promissory Note in such amount, which RD has agreed to purchase provided the Association meets certain conditions of RD, including revising water rates as set forth below:

Current Monthly Rates

5/8" x 3/4" Meter:

First 2,000 gallons	\$15.28 minimum bill
Next 3,000 gallons	5.54 per 1,000 gallons
Next 5,000 gallons	5.14 per 1,000 gallons
Next 15,000 gallons	4.64 per 1,000 gallons
All over 25,000 gallons	3.54 per 1,000 gallons

1" Meter:

First 5,000 gallons	\$31.90 minimum bill
Next 5,000 gallons	5.14 per 1,000 gallons
Next 15,000 gallons	4.64 per 1,000 gallons
All over 25,000 gallons	3.54 per 1,000 gallons

1½" Meter:

First 10,000 gallons	\$57.60 minimum bill
Next 15,000 gallons	4.64 per 1,000 gallons
All over 25,000 gallons	3.54 per 1,000 gallons

2" Meter:

First 25,000 gallons	\$127.20 minimum bill
All over 25,000 gallons	3.54 per 1,000 gallons

Proposed Monthly Rates

5/8" x 3/4" Meter:

First 2,000 gallons	\$16.90 minimum bill
Next 3,000 gallons	6.25 per 1,000 gallons

Next 5,000 gallons	5.89 per 1,000 gallons
Next 15,000 gallons	5.25 per 1,000 gallons
All over 25,000 gallons	4.45 per 1,000 gallons

1" Meter:

First 5,000 gallons	\$35.65 minimum bill
Next 5,000 gallons	5.89 per 1,000 gallons
Next 15,000 gallons	5.25 per 1,000 gallons
All over 25,000 gallons	4.45 per 1,000 gallons

1½" Meter:

First 10,000 gallons	\$65.10 minimum bill
Next 15,000 gallons	5.25 per 1,000 gallons
All over 25,000 gallons	4.45 per 1,000 gallons

2" Meter:

First 25,000 gallons	\$143.85 minimum bill
All over 25,000 gallons	4.45 per 1,000 gallons

The RD loan proceeds will be used in conjunction with other funds to finance the cost of extensions, additions and improvements to the existing waterworks system of the Association, consisting of the construction and installation of approximately 40,700 linear feet of 3 and 4-inch water line and appurtenances and the construction of a new PRV station and an upgrade to an existing PRV station. Signed: Charles D. Burton, President Western Rockcastle Water Association

RECEIVED

JUL 20 2006

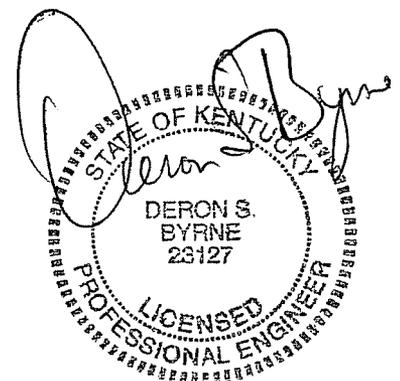
PUBLIC SERVICE
COMMISSION

**FINAL ENGINEERING REPORT
CONTRACT 7
WATER SYSTEM EXTENSIONS AND IMPROVEMENTS
WESTERN ROCKCASTLE WATER ASSOCIATION
ROCKCASTLE, LINCOLN, AND PULASKI, COUNTIES**

**MAY 22, 2006
(REVISED JUNE 21, 2006)**

PREPARED BY:

M
Monarch Engineering, Inc.



6-21-2006

**FINAL ENGINEERING REPORT
CONTRACT 7
WATER SYSTEM EXTENSIONS AND IMPROVEMENTS
WESTERN ROCKCASTLE WATER ASSOCIATION
ROCKCASTLE, LINCOLN, AND PULASKI, COUNTIES**

**MAY 22, 2006
(REVISED JUNE 21, 2006)**

PREPARED BY:

**FINAL PROJECT BUDGET
WESTERN ROCKCASTLE WATER ASSOCIATION
CONTRACT 7 - WATER SYSTEM EXTENSIONS
& IMPROVEMENTS
ROCKCASTLE, LINCOLN AND PULASKI COUNTIES**

**MAY 22, 2006
REVISED JUNE 21, 2006**

PROJECT COSTS:

DEVELOPMENT	\$342,924.00
CONTINGENCY	112,167.18
ENGINEERING DESIGN	34,326.69
CONSTRUCTION INSPECTION	25,582.13
LEGAL & ADMINISTRATION	15,000.00
INTEREST	10,000.00
PRELIMINARY ENGINEERING REPORT	10,000.00
ADDITIONAL ENGINEERING	<u>25,000.00</u>
TOTAL PROJECT COST	\$575,000.00

PROJECT FUNDING :

TAP FEES	\$12,000.00
U.S.D.A. RURAL DEVELOPMENT LOAN	125,000.00
U.S.D.A. RURAL DEVELOPMENT GRANT	125,000.00
APPALACHIAN REGIONAL COMMISSION	250,000.00
KIA-TOBACCO DEVELOPMENT GRANT	63,000.00
TOTAL PROJECT FUNDING :	\$575,000.00

MONARCH ENGINEERING, INC.
 556 Carlton Drive
 Lawrenceburg, KY 40342
 Phone (502) 839-1310
 Fax (502) 839-1373

BID TABULATIONS
WESTERN ROCKCASTLE WATER ASSOCIATION
CONTRACT 7
WATER SYSTEM EXTENSIONS & IMPROVEMENTS
ROCKCASTLE, LINCOLN, AND
PULASKI COUNTIES, KENTUCKY
BID DATE: MAY 18, 2006 @ 11:00 A.M. LOCAL TIME

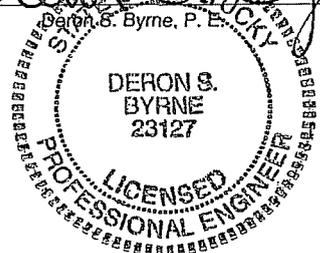
ITEM NO.	DESCRIPTION	QUANTITY	United Pipeline, Inc. 48 Hagan St. Tompkinsville, KY 42167		Southern Backhoe, Inc. 808 West Main St. Campbellsville, KY 42718		G & W Construction Co. 6730 Flemingsburg Rd. Morehead, KY 40351	
			UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST
BASE BID CONTRACT 7								
1	4-Inch PVC SDR 17 Water Line	480 LF	\$5.90	\$2,832.00	\$4.90	\$2,352.00	\$5.92	\$2,841.60
2	4-Inch PVC SDR 21 Water Line	8,550 LF	5.70	48,735.00	4.60	39,330.00	5.58	47,709.00
3	3-Inch PVC SDR 17 Water Line	10,690 LF	5.30	56,657.00	4.20	44,898.00	5.18	55,374.20
4	3-Inch PVC SDR 21 Water Line	20,970 LF	5.00	104,850.00	4.00	83,880.00	4.98	104,430.60
5	Bore & Case for 4-Inch Water Line	30 LF	50.00	1,500.00	100.00	3,000.00	93.02	2,790.60
6	Bore & Case for 3-Inch Water Line	305 LF	50.00	15,250.00	100.00	30,500.00	91.08	27,779.40
7	Free Bore for 4-Inch Water Line	15 LF	20.00	300.00	50.00	750.00	45.00	675.00
8	Free Bore for 3-Inch Water Line	85 LF	20.00	1,700.00	50.00	4,250.00	45.00	3,825.00
9	Creek Crossing for 4-Inch Water Line	40 LF	100.00	4,000.00	100.00	4,000.00	69.00	2,760.00
10	Creek Crossing for 3-Inch Water Line	200 LF	100.00	20,000.00	120.00	24,000.00	67.28	13,456.00
11	4-Inch Gate Valve	4 EA	550.00	2,200.00	500.00	2,000.00	568.52	2,274.08
12	3-Inch Gate Valve	18 EA	500.00	9,000.00	450.00	8,100.00	536.09	9,649.62
13	Blowoff Assembly	3 EA	800.00	2,400.00	1,000.00	3,000.00	782.00	2,346.00
14	Meter Reconnection	1 EA	300.00	300.00	300.00	300.00	344.42	344.42
15	Connection	16 EA	1,000.00	16,000.00	2,500.00	40,000.00	1,283.49	20,535.84
16	Type I Connection	5 EA	1,200.00	6,000.00	2,000.00	10,000.00	1,466.70	7,333.50
17	Standard Meter Setting	24 EA	500.00	12,000.00	450.00	10,800.00	457.64	10,983.36
18	Tandem Meter Setting	24 EA	600.00	14,400.00	500.00	12,000.00	525.20	12,604.80
19	3/4-Inch Service Tubing	2,400 LF	2.00	4,800.00	6.00	14,400.00	6.23	14,952.00
20	Pressure Reducing Station	2 EA	10,000.00	20,000.00	8,000.00	16,000.00	11,467.39	22,934.78
TOTAL BASE BID CONTRACT 7				\$342,924.00		\$353,560.00		\$365,599.80

THE ABOVE IS A TRUE AND COMPLETE TABULATION OF BIDS RECEIVED AT 11:00A.M. LOCAL TIME, THURSDAY, MAY 18, 2006 AT THE WESTERN ROCKCASTLE WATER ASSOCIATION.

BY:

Deron S. Byrne
 Deron S. Byrne, P. E.

5-22-2006
 DATE



MONARCH ENGINEERING, INC.
 556 Carlton Drive
 Lawrenceburg, KY 40342
 Phone (502) 839-1310
 Fax (502) 839-1373

BID TABULATIONS
WESTERN ROCKCASTLE WATER ASSOCIATION
CONTRACT 7
WATER SYSTEM EXTENSIONS & IMPROVEMENTS
ROCKCASTLE, LINCOLN, AND
PULASKI COUNTIES, KENTUCKY
BID DATE: MAY 18, 2006 @ 11:00 A.M. LOCAL TIME

ITEM NO.	DESCRIPTION	QUANTITY	United Pipeline, Inc. 48 Hagan St. Tompkinsville, KY 42167		Southern Backhoe, Inc. 808 West Main St. Campbellsville, KY 42718		G & W Construction Co. 6730 Flemingsburg Rd. Morehead, KY 40351	
			UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST
ALTERNATE NO. 1								
1	3-Inch PVC SDR 17 Water Line	9,300 LF	\$5.30	\$49,290.00	\$4.20	\$39,060.00	\$5.18	\$48,174.00
6	Bore & Case for 3-Inch Water Line	50 LF	50.00	2,500.00	100.00	5,000.00	91.08	4,554.00
10	Creek Crossing for 3-Inch Water Line	115 LF	100.00	11,500.00	120.00	13,800.00	67.28	7,737.20
12	3-Inch Gate Valve	2 EA	500.00	1,000.00	450.00	900.00	536.09	1,072.18
13	Blowoff Assembly	1 EA	800.00	800.00	1,000.00	1,000.00	782.00	782.00
15	Connection	1 EA	1,000.00	1,000.00	2,500.00	2,500.00	1,905.11	1,905.11
17	Standard Meter Setting	1 EA	500.00	500.00	450.00	450.00	457.64	457.64
19	3/4-Inch Service Tubing	50 LF	2.00	100.00	6.00	300.00	6.23	311.50
TOTAL ALTERNATE NO. 1				\$66,690.00		\$63,010.00		\$64,993.63

MONARCH ENGINEERING, INC.
 556 Carlton Drive
 Lawrenceburg, KY 40342
 Phone (502) 839-1310
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BID TABULATIONS
WESTERN ROCKCASTLE WATER ASSOCIATION
CONTRACT 7
WATER SYSTEM EXTENSIONS & IMPROVEMENTS
ROCKCASTLE, LINCOLN, AND
PULASKI COUNTIES, KENTUCKY
BID DATE: MAY 18, 2006 @ 11:00 A.M. LOCAL TIME

ITEM NO.	DESCRIPTION	QUANTITY	D.F. Bailey, Inc. 3053 US 60 East Owingsville, KY 40360		Hatton, Inc 1786 Clintonville Rd. Paris, KY 40361		Cleary Construction 2006 Edmonton Rd. Tompkinsville, KY 42167	
			UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST
BASE BID CONTRACT 7								
1	4-Inch PVC SDR 17 Water Line	480 LF	\$6.15	\$2,952.00	\$5.98	\$2,870.40	\$8.00	\$3,840.00
2	4-Inch PVC SDR 21 Water Line	8,550 LF	5.80	49,590.00	5.90	50,445.00	7.40	63,270.00
3	3-Inch PVC SDR 17 Water Line	10,690 LF	5.27	56,336.30	5.70	60,933.00	7.00	74,830.00
4	3-Inch PVC SDR 21 Water Line	20,970 LF	5.04	105,688.80	5.40	113,238.00	6.80	142,596.00
5	Bore & Case for 4-Inch Water Line	30 LF	81.31	2,439.30	85.00	2,550.00	90.00	2,700.00
6	Bore & Case for 3-Inch Water Line	305 LF	80.39	24,518.95	85.00	25,925.00	70.00	21,350.00
7	Free Bore for 4-Inch Water Line	15 LF	41.42	621.30	49.00	735.00	30.00	450.00
8	Free Bore for 3-Inch Water Line	85 LF	40.60	3,451.00	49.00	4,165.00	30.00	2,550.00
9	Creek Crossing for 4-Inch Water Line	40 LF	44.79	1,791.60	99.00	3,960.00	50.00	2,000.00
10	Creek Crossing for 3-Inch Water Line	200 LF	45.04	9,008.00	99.00	19,800.00	40.00	8,000.00
11	4-Inch Gate Valve	4 EA	468.79	1,875.16	549.00	2,196.00	470.00	1,880.00
12	3-Inch Gate Valve	18 EA	423.39	7,621.02	480.00	8,640.00	440.00	7,920.00
13	Blowoff Assembly	3 EA	617.58	1,852.74	659.00	1,977.00	680.00	2,040.00
14	Meter Reconnection	1 EA	460.70	460.70	275.00	275.00	400.00	400.00
15	Connection	16 EA	1,687.04	26,992.64	1,600.00	25,600.00	900.00	14,400.00
16	Type I Connection	5 EA	1,746.52	8,732.60	1,600.00	8,000.00	1,150.00	5,750.00
17	Standard Meter Setting	24 EA	534.75	12,834.00	435.00	10,440.00	420.00	10,080.00
18	Tandem Meter Setting	24 EA	707.58	16,981.92	527.00	12,648.00	510.00	12,240.00
19	3/4-Inch Service Tubing	2,400 LF	4.01	9,624.00	5.00	12,000.00	3.00	7,200.00
20	Pressure Reducing Station	2 EA	12,508.12	25,016.24	15,523.00	31,046.00	8,000.00	16,000.00
TOTAL BASE BID CONTRACT 7				\$368,388.27		\$397,443.40		\$399,496.00

MONARCH ENGINEERING, INC.
 556 Carlton Drive
 Lawrenceburg, KY 40342
 Phone (502) 839-1310
 Fax (502) 839-1373

BID TABULATIONS
WESTERN ROCKCASTLE WATER ASSOCIATION
CONTRACT 7
WATER SYSTEM EXTENSIONS & IMPROVEMENTS
ROCKCASTLE, LINCOLN, AND
PULASKI COUNTIES, KENTUCKY
BID DATE: MAY 18, 2006 @ 11:00 A.M. LOCAL TIME

ITEM NO.	DESCRIPTION	QUANTITY	D.F. Bailey, Inc. 3053 US 60 East Owingsville, KY 40360		Hatton, Inc 1786 Clintonville Rd. Paris, KY 40361		Cleary Construction 2006 Edmonton Rd. Tompkinsville, KY 42167	
			UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST
ALTERNATE NO. 1								
1	3-Inch PVC SDR 17 Water Line	9,300 LF	\$6.15	\$57,195.00	\$5.70	\$53,010.00	\$8.00	\$74,400.00
6	Bore & Case for 3-Inch Water Line	50 LF	80.39	4,019.50	85.00	4,250.00	70.00	3,500.00
10	Creek Crossing for 3-Inch Water Line	115 LF	45.04	5,179.60	99.00	11,385.00	50.00	5,750.00
12	3-Inch Gate Valve	2 EA	423.39	846.78	480.00	960.00	440.00	880.00
13	Blowoff Assembly	1 EA	617.58	617.58	659.00	659.00	680.00	680.00
15	Connection	1 EA	1,687.04	1,687.04	1,600.00	1,600.00	900.00	900.00
17	Standard Meter Setting	1 EA	534.75	534.75	435.00	435.00	420.00	420.00
19	3/4-Inch Service Tubing	50 LF	4.01	200.50	5.00	250.00	3.00	150.00
TOTAL ALTERNATE NO. 1				\$70,280.75		\$72,549.00		\$86,680.00

MONARCH ENGINEERING, INC.
 556 Carlton Drive
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BID TABULATIONS
WESTERN ROCKCASTLE WATER ASSOCIATION
CONTRACT 7
WATER SYSTEM EXTENSIONS & IMPROVEMENTS
ROCKCASTLE, LINCOLN, AND
PULASKI COUNTIES, KENTUCKY
BID DATE: MAY 18, 2006 @ 11:00 A.M. LOCAL TIME

ITEM NO.	DESCRIPTION	QUANTITY	Akins Excavating Co., Inc. 182 Busy Lane Corbin, KY 40704		Twin States Utilities, Inc. 3075 Bethlehem Church Rd. Mount Hermon, KY 42157	
			UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST
BASE BID CONTRACT 7						
1	4-Inch PVC SDR 17 Water Line	480 LF	\$7.60	\$3,648.00	\$8.30	\$3,984.00
2	4-Inch PVC SDR 21 Water Line	8,550 LF	7.20	61,560.00	8.00	68,400.00
3	3-Inch PVC SDR 17 Water Line	10,690 LF	6.85	73,226.50	7.30	78,037.00
4	3-Inch PVC SDR 21 Water Line	20,970 LF	6.65	139,450.50	7.10	148,887.00
5	Bore & Case for 4-Inch Water Line	30 LF	90.00	2,700.00	70.00	2,100.00
6	Bore & Case for 3-Inch Water Line	305 LF	90.00	27,450.00	66.00	20,130.00
7	Free Bore for 4-Inch Water Line	15 LF	40.00	600.00	35.00	525.00
8	Free Bore for 3-Inch Water Line	85 LF	40.00	3,400.00	35.00	2,975.00
9	Creek Crossing for 4-Inch Water Line	40 LF	50.00	2,000.00	90.00	3,600.00
10	Creek Crossing for 3-Inch Water Line	200 LF	50.00	10,000.00	90.00	18,000.00
11	4-Inch Gate Valve	4 EA	582.00	2,328.00	420.00	1,680.00
12	3-Inch Gate Valve	18 EA	521.00	9,378.00	390.00	7,020.00
13	Blowoff Assembly	3 EA	600.00	1,800.00	600.00	1,800.00
14	Meter Reconnection	1 EA	300.00	300.00	400.00	400.00
15	Connection	16 EA	1,620.00	25,920.00	900.00	14,400.00
16	Type I Connection	5 EA	1,650.00	8,250.00	1,200.00	6,000.00
17	Standard Meter Setting	24 EA	390.00	9,360.00	450.00	10,800.00
18	Tandem Meter Setting	24 EA	522.00	12,528.00	532.00	12,768.00
19	3/4-Inch Service Tubing	2,400 LF	6.00	14,400.00	6.30	15,120.00
20	Pressure Reducing Station	2 EA	10,368.00	20,736.00	14,000.00	28,000.00
TOTAL BASE BID CONTRACT 7				\$429,035.00		\$444,626.00

MONARCH ENGINEERING, INC.
 556 Carlton Drive
 Lawrenceburg, KY 40342
 Phone (502) 839-1310
 Fax (502) 839-1373

BID TABULATIONS
WESTERN ROCKCASTLE WATER ASSOCIATION
CONTRACT 7
WATER SYSTEM EXTENSIONS & IMPROVEMENTS
ROCKCASTLE, LINCOLN, AND
PULASKI COUNTIES, KENTUCKY
BID DATE: MAY 18, 2006 @ 11:00 A.M. LOCAL TIME

ITEM NO.	DESCRIPTION	QUANTITY	Akins Excavating Co., Inc. 182 Busy Lane Corbin, KY 40704		Twin States Utilities, Inc. 3075 Bethlehem Church Rd. Mount Hermon, KY 42157	
			UNIT PRICE	TOTAL COST	UNIT PRICE	TOTAL COST
	ALTERNATE NO. 1					
1	3-Inch PVC SDR 17 Water Line	9,300 LF	\$6.85	\$63,705.00	\$7.30	\$67,890.00
6	Bore & Case for 3-Inch Water Line	50 LF	90.00	4,500.00	66.00	3,300.00
10	Creek Crossing for 3-Inch Water Line	115 LF	40.00	4,600.00	90.00	10,350.00
12	3-Inch Gate Valve	2 EA	521.00	1,042.00	390.00	780.00
13	Blowoff Assembly	1 EA	600.00	600.00	600.00	600.00
15	Connection	1 EA	1,620.00	1,620.00	900.00	900.00
17	Standard Meter Setting	1 EA	390.00	390.00	450.00	450.00
19	3/4-Inch Service Tubing	50 LF	6.00	300.00	6.30	315.00
	TOTAL ALTERNATE NO. 1			\$76,757.00		\$84,585.00

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JUL 20 2006

PUBLIC SERVICE
COMMISSION

**PRELIMINARY ENGINEERING REPORT
FOR THE
WESTERN ROCKCASTLE WATER ASSOCIATION**

**WATER SYSTEM EXTENSIONS &
IMPROVEMENTS PROJECT
CONTRACT 7**

JANUARY 2003



5.22.2004

**PRELIMINARY ENGINEERING REPORT
FOR THE
WESTERN ROCKCASTLE WATER ASSOCIATION**

**WATER SYSTEM EXTENSIONS &
IMPROVEMENTS PROJECT
CONTRACT 7**

JANUARY 2003

PRELIMINARY ENGINEERING REPORT

WATER SYSTEM EXTENSIONS & IMPROVEMENTS PROJECT

WESTERN ROCKCASTLE WATER ASSOCIATION MT VERNON, KENTUCKY

I. GENERAL

This Preliminary Engineering Report is intended to analyze the proposed water system extensions that are being planned by the Western Rockcastle Water Association to serve 48 first time customers with potable drinking water in Rockcastle, Pulaski, Lincoln and Garrard counties. The new customers to be served are all residential.

This project also includes a new 3-inch transmission main on Copper Creek Road to replace an existing 2-inch water line, which will provide better service to this area of the system. A pressure reducing station will be replaced on Kentucky Highway 1505, which connects to the Copper Creek water line. A creek crossing will be replaced across Copper Creek parallel with Copper Creek Road, which will prevent the existing exposed water line from freezing during the winter months.

The Western Rockcastle Water Association provides potable water service to nearly 3,100 customers in Rockcastle, Pulaski and Lincoln counties. The Association purchases all water for resale from the City of Mount Vernon.

Included in this report are maps of the proposed service area showing the intended routes of the water lines, and the location of major appurtenances. In addition, project cost estimates are included which outline the entire project costs along with the proposed financing scheme. Rural Development "Kentucky Guide 7A" is included as a part of this report and the information that will be contained in the Guide will analyze the capability of the Western Rockcastle Water Association to execute this project by evaluating the financial status of the Association along with a review of the operation of the Association.

II. PROJECT PLANNING AREA

The areas to be served with potable water for the first time are located throughout Rockcastle County and bordering counties of Pulaski, Lincoln, and Garrard. In Rockcastle County, the areas to be served include Copper Creek Road, Gentry Laswell Road, Lake Road, John Cash Road, John Mason Brown Road, and U.S. Highway 25. In Lincoln County, the areas to be served include Saylor Road, Bishop Road, and Old Bee Lick Road. In Pulaski County, the areas to be served include Jim Weaver Road, Bee Lick Creek Road, and Old Ping Road. In Garrard County, the area to be served is

Gabbard Road. These areas are delineated on the attached maps. The topography in these areas consists primarily of gently rolling hills throughout the valley areas and along the numerous creeks in this area with steep ridges encountered in the Daniel Boone National Forest. The land use in the valley areas is mainly agricultural with some light timber harvesting. Within the proposed service area, there are no major industrial or commercial businesses.

The residents in these areas have never been served by a public water system and most rely on community springs, family wells, or depend on water trucks to provide them with their potable water. Most individuals pay to have their water delivered and those who cannot afford to pay local water haulers, transport their water by means of barrels, bucket, or other containers. They often make daily trips to the nearest water source, none of which are monitored by an approved health agency. It is not anticipated that a significant growth pattern will emerge as a result of the implementation of a domestic water supply but rather that the standard of living for those residents will be greatly improved.

III. EXISTING FACILITIES

The Western Rockcastle Water Association executed a contract in 1994 with the City of Mount Vernon to purchase 10 million gallons of water per month for 45 years. The City is in the process of constructing a new water treatment plant and the water purchase agreement will be amended to reflect a longer term and a larger allotment. The Association operates a distribution system that serves nearly 3,100 residential and nonresidential customers that reside throughout Rockcastle, Lincoln and Pulaski Counties.

The Western Rockcastle Water Association operates the water system through a Board of Directors, Office Manager, office personnel and field personnel.

Information regarding the current rate structure, annual operating and maintenance data and a tabulation of the users for an annual period by monthly usage categories and revenue, will be analyzed in the Summary Addendum which will be included in the Kentucky Guide 7A.

IV. NEED FOR THE PROJECT

This project is intended to eliminate a serious health hazard in the communities in which it will serve. The proposed service area has long been faced with inadequate and unsafe sources of water. For many years, the residents have petitioned county officials in an attempt to secure a public water system. This need has been well documented by the Cumberland Valley District Health Department. The vast majority of samples taken (85%) were contaminated with high levels of fecal coliform. The personal health and safety of the residents are threatened by the use of these contaminated supplies and the financial burden of having to haul water for personal and farming needs is substantial.

It is anticipated that 48 homes will be immediately affected by the project. The proposed service area is shown on the attached maps, and is located in a geographic area where rock conditions are prevalent. The terrain is over laden with visible rock outcroppings and numerous creek crossings with limited access along the public roadway.

V. ALTERNATIVES CONSIDERED

Based on the fact that there are no other major potable water suppliers that exist in this area, the only practical potable water supplier that would consider serving these areas is the Western Rockcastle Water Association. There are no other practical alternatives that could be considered. The Western Rockcastle Water Association is supplied water by the City of Mount Vernon. Both of these entities are regulated by the Kentucky Division of Water and have a history of compliance with the Division's regulations and policies. Therefore, it was determined that these areas would be best served by a water system built, owned, operated and served by the Western Rockcastle Water Association.

VI. PROPOSED PROJECT

The proposed project consists of the installation of 45,500 feet of 3-inch water line to serve 48 new customers. In addition, the project also includes 6,400 feet of 3-inch water main to upgrade an existing service, an upgrade to an existing pressure reducing station, and a replacement of an existing creek crossing. An itemized cost estimate is included in this report and it outlines all of the individual construction items along with their associated units costs for each road in the project area. A summary cost estimate summarizes all of the project costs and outlines the funding scheme for the project, which is also included in this report.

The analysis of the Association's ability to finance and in turn own and operate the extension is itemized in the Summary Addendum, which will be submitted at a later date. This data will evaluate and compare the current and expected revenues as a result of the sale of water, operation and maintenance costs, other miscellaneous income and costs, and a summary of the long-term debts including their annual principle and interest payments.

An analysis of the customer monthly water usage and associated revenue generation will be included and will be based on actual water sales for a one-year period. The Western Rockcastle Water Association will supply this information.

The project cost has been estimated to be \$512,000 and it is to be financed by a \$125,000 loan from Rural Development and a \$125,000 grant from Rural Development to be matched with \$12,000 in tap fees and a \$250,000 grant from Appalachian Regional Commission.

VII. CONCLUSIONS AND RECOMMENDATIONS

Based on the desperate need for the residents in these communities to have a potable water supply it is recommended that the Western Rockcastle Water Association pursue the financial assistance as outlined above so that this unhealthy situation can be corrected. The Western Rockcastle Water Association is the only major supplier of potable water near these areas and their system is situated such that these extensions and improvements as proposed can be made without adversely affecting service to their existing customers.

**PRELIMINARY COST ESTIMATE
 WATER SYSTEM EXTENSIONS & IMPROVEMENTS
 SUMMARY OF TOTAL PROJECT AREA
 WESTERN ROCKCASTLE WATER ASSOCIATION
 ROCKCASTLE, LINCOLN, PULASKI, AND GARRARD COUNTIES, KENTUCKY**

JANUARY 2003

	DESCRIPTION	TOTAL CUSTOMERS	COST PER CUSTOMER	TOTAL COST
1	Copper Creek Road	4	\$5,390	\$21,560.00
2	Gentry Laswell Road	2	5,143	10,285.00
3	U.S. Highway 25	5	4,868	24,337.50
4	John Cash Road	3	11,614	34,842.50
5	John Mason Brown Road	3	6,994	20,982.50
6	Lake Road	6	4,758	28,545.00
7	Jim Weaver Road	2	4,043	8,085.00
8	Old Ping Road	4	9,708	38,830.00
9	Bee Lick Creek Road	3	6,188	18,562.50
10	Old Bee Lick Road	8	4,428	35,420.00
11	Bishop Road	2	11,468	22,935.00
12	Saylor Road	3	5,931	17,792.50
13	Gabbard Road	3	4,941	14,822.50
14	Copper Creek Road WL Replacement			66,220.00
15	Copper Creek Road Creek Crossing			14,740.00
16	Kentucky Highway 1505 PRV Station			22,000.00
TOTAL COST				\$399,960.00

PRELIMINARY COST ESTIMATE
COPPER CREEK ROAD
WESTERN ROCKCASTLE WATER ASSOCIATION
ROCKCASTLE COUNTY, KENTUCKY
JANUARY 2003

ITEM NO.	DESCRIPTION	QUANTITY	UNIT COST	TOTAL COST
1	3-Inch Water Line	2,700 LF	\$5.00	\$13,500.00
3	Creek Crossing for 3-Inch WI	20 LF	80.00	1,600.00
4	3-Inch Gate Valve	2 EA	400.00	800.00
5	Connection	2 EA	1,000.00	2,000.00
7	Meter Setting	4 EA	300.00	1,200.00
8	3/4-Inch Service Tubing	200 LF	2.50	500.00
Subtotal				\$19,600.00
Contingency				1,960.00
TOTAL COST				<u>\$21,560.00</u>
Average Cost/Customer				\$5,390

PRELIMINARY COST ESTIMATE
GENTRY LASWELL ROAD
WESTERN ROCKCASTLE WATER ASSOCIATION
ROCKCASTLE COUNTY, KENTUCKY
JANUARY 2003

ITEM NO.	DESCRIPTION	QUANTITY	UNIT COST	TOTAL COST
1	3-Inch Water Line	1,600 LF	\$4.00	\$6,400.00
4	3-Inch Gate Valve	1 EA	400.00	400.00
5	Connection	1 EA	1,000.00	1,000.00
6	3-Inch Blowoff Assembly	1 EA	700.00	700.00
7	Meter Setting	2 EA	300.00	600.00
8	3/4-Inch Service Tubing	100 LF	2.50	250.00
Subtotal				\$9,350.00
Contingency				935.00
TOTAL COST				<u>\$10,285.00</u>
Average Cost/Customer				\$5,143

**PRELIMINARY COST ESTIMATE
U.S. HIGHWAY 25
WESTERN ROCKCASTLE WATER ASSOCIATION
ROCKCASTLE COUNTY, KENTUCKY
JANUARY 2003**

ITEM NO.	DESCRIPTION	QUANTITY	UNIT COST	TOTAL COST
1	3-Inch Water Line	3,200 LF	\$5.00	16,000.00
2	Bore & Case for 3-Inch WL	30 LF	50.00	1,500.00
4	3-Inch Gate Valve	2 EA	400.00	800.00
5	Connection	1 EA	1,000.00	1,000.00
6	3-Inch Blowoff Assembly	1 EA	700.00	700.00
7	Meter Setting	5 EA	300.00	1,500.00
8	3/4-Inch Service Tubing	250 LF	2.50	625.00

Subtotal	\$22,125.00
Contingency	<u>2,212.50</u>
TOTAL COST	\$24,337.50

Average Cost/Customer	\$4,868
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**PRELIMINARY COST ESTIMATE
 JOHN CASH ROAD
 WESTERN ROCKCASTLE WATER ASSOCIATION
 ROCKCASTLE COUNTY, KENTUCKY
 JANUARY 2003**

ITEM NO.	DESCRIPTION	QUANTITY	UNIT COST	TOTAL COST
1	3-Inch Water Line	5,300 LF	\$4.00	\$21,200.00
2	Bore & Case for 3-Inch WL	40 LF	50.00	2,000.00
3	Creek Crossing for 3-Inch WI	20 LF	80.00	1,600.00
4	3-Inch Gate Valve	4 EA	400.00	1,600.00
5	Connection	4 EA	1,000.00	4,000.00
7	Meter Setting	3 EA	300.00	900.00
8	3/4-Inch Service Tubing	150 LF	2.50	375.00
Subtotal				\$31,675.00
Contingency				<u>3,167.50</u>
TOTAL COST				<u>\$34,842.50</u>
Average Cost/Customer				\$11,614

**PRELIMINARY COST ESTIMATE
 JOHN MASON BROWN ROAD
 WESTERN ROCKCASTLE WATER ASSOCIATION
 ROCKCASTLE COUNTY, KENTUCKY
 JANUARY 2003**

ITEM NO.	DESCRIPTION	QUANTITY	UNIT COST	TOTAL COST
1	3-Inch Water Line	3,200 LF	\$4.00	\$12,800.00
2	Bore & Case for 3-Inch WL	50 LF	50.00	2,500.00
4	3-Inch Gate Valve	2 EA	400.00	800.00
5	Connection	1 EA	1,000.00	1,000.00
6	3-Inch Blowoff Assembly	1 EA	700.00	700.00
7	Meter Setting	3 EA	300.00	900.00
8	3/4-Inch Service Tubing	150 LF	2.50	375.00

Subtotal	\$19,075.00
Contingency	<u>1,907.50</u>
TOTAL COST	\$20,982.50

Average Cost/Customer	\$6,994
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**PRELIMINARY COST ESTIMATE
LAKE ROAD
WESTERN ROCKCASTLE WATER ASSOCIATION
ROCKCASTLE COUNTY, KENTUCKY
JANUARY 2003**

ITEM NO.	DESCRIPTION	QUANTITY	UNIT COST	TOTAL COST
1	3-Inch Water Line	4,800 LF	\$4.00	\$19,200.00
2	Bore & Case for 3-Inch WL	20 LF	50.00	1,000.00
4	3-Inch Gate Valve	3 EA	400.00	1,200.00
5	Connection	2 EA	1,000.00	2,000.00
7	Meter Setting	6 EA	300.00	1,800.00
8	3/4-Inch Service Tubing	300 LF	2.50	750.00
Subtotal				\$25,950.00
Contingency				2,595.00
TOTAL COST				<u>\$28,545.00</u>
Average Cost/Customer				\$4,758

**PRELIMINARY COST ESTIMATE
 JIM WEAVER ROAD
 WESTERN ROCKCASTLE WATER ASSOCIATION
 PULASKI COUNTY, KENTUCKY
 JANUARY 2003**

ITEM NO.	DESCRIPTION	QUANTITY	UNIT COST	TOTAL COST
1	3-Inch Water Line	1,100 LF	\$4.00	\$4,400.00
4	3-Inch Gate Valve	1 EA	400.00	400.00
5	Connection	1 EA	1,000.00	1,000.00
6	3-Inch Blowoff Assembly	1 EA	700.00	700.00
7	Meter Setting	2 EA	300.00	600.00
8	3/4-Inch Service Tubing	100 LF	2.50	250.00
Subtotal				\$7,350.00
Contingency				735.00
TOTAL COST				\$8,085.00
Average Cost/Customer				\$4,043

**PRELIMINARY COST ESTIMATE
 OLD PING ROAD
 WESTERN ROCKCASTLE WATER ASSOCIATION
 PULASKI COUNTY, KENTUCKY
 JANUARY 2003**

ITEM NO.	DESCRIPTION	QUANTITY	UNIT COST	TOTAL COST
1	3-Inch Water Line	5,300 LF	\$5.00	\$26,500.00
2	Bore & Case for 3-Inch WL	30 LF	50.00	1,500.00
3	Creek Crossing for 3-Inch WI	30 LF	80.00	2,400.00
4	3-Inch Gate Valve	3 EA	400.00	1,200.00
5	Connection	2 EA	1,000.00	2,000.00
7	Meter Setting	4 EA	300.00	1,200.00
8	3/4-Inch Service Tubing	200 LF	2.50	500.00
Subtotal				\$35,300.00
Contingency				<u>3,530.00</u>
TOTAL COST				<u>\$38,830.00</u>
Average Cost/Customer				\$9,708

PRELIMINARY COST ESTIMATE
BEE LICK CREEK ROAD
WESTERN ROCKCASTLE WATER ASSOCIATION
PULASKI COUNTY, KENTUCKY
JANUARY 2003

ITEM NO.	DESCRIPTION	QUANTITY	UNIT COST	TOTAL COST
1	3-Inch Water Line	2,700 LF	\$5.00	\$13,500.00
4	3-Inch Gate Valve	1 EA	400.00	400.00
5	Connection	1 EA	1,000.00	1,000.00
6	3-Inch Blowoff Assembly	1 EA	700.00	700.00
7	Meter Setting	3 EA	300.00	900.00
8	3/4-Inch Service Tubing	150 LF	2.50	375.00
Subtotal				\$16,875.00
Contingency				1,687.50
<u>TOTAL COST</u>				<u>\$18,562.50</u>
Average Cost/Customer				\$6,188

PRELIMINARY COST ESTIMATE
OLD BEE LICK ROAD
WESTERN ROCKCASTLE WATER ASSOCIATION
LINCOLN COUNTY, KENTUCKY
JANUARY 2003

ITEM NO.	DESCRIPTION	QUANTITY	UNIT COST	TOTAL COST
1	3-Inch Water Line	5,900 LF	\$4.00	\$23,600.00
2	Bore & Case for 3-Inch WL	40 LF	50.00	2,000.00
4	3-Inch Gate Valve	3 EA	400.00	1,200.00
5	Connection	2 EA	1,000.00	2,000.00
7	Meter Setting	8 EA	300.00	2,400.00
8	3/4-Inch Service Tubing	400 LF	2.50	1,000.00
Subtotal				\$32,200.00
Contingency				<u>3,220.00</u>
TOTAL COST				\$35,420.00
Average Cost/Customer				\$4,428

PRELIMINARY COST ESTIMATE
BISHOP ROAD
WESTERN ROCKCASTLE WATER ASSOCIATION
LINCOLN COUNTY, KENTUCKY
JANUARY 2003

ITEM NO.	DESCRIPTION	QUANTITY	UNIT COST	TOTAL COST
1	3-Inch Water Line	3,700 LF	\$4.00	\$14,800.00
3	Creek Crossing for 3-Inch WI	30 LF	80.00	2,400.00
4	3-Inch Gate Valve	2 EA	400.00	800.00
5	Connection	2 EA	1,000.00	2,000.00
7	Meter Setting	2 EA	300.00	600.00
8	3/4-Inch Service Tubing	100 LF	2.50	250.00
Subtotal				\$20,850.00
Contingency				2,085.00
TOTAL COST				<u>\$22,935.00</u>
Average Cost/Customer				\$11,468

PRELIMINARY COST ESTIMATE
SAYLOR ROAD
WESTERN ROCKCASTLE WATER ASSOCIATION
LINCOLN COUNTY, KENTUCKY
JANUARY 2003

ITEM NO.	DESCRIPTION	QUANTITY	UNIT COST	TOTAL COST
1	3-Inch Water Line	3,200 LF	\$4.00	\$12,800.00
4	3-Inch Gate Valve	1 EA	400.00	400.00
5	Connection	1 EA	1,000.00	1,000.00
6	3-Inch Blowoff Assembly	1 EA	700.00	700.00
7	Meter Setting	3 EA	300.00	900.00
8	3/4-Inch Service Tubing	150 LF	2.50	375.00
Subtotal				\$16,175.00
Contingency				<u>1,617.50</u>
TOTAL COST				\$17,792.50
Average Cost/Customer				\$5,931

PRELIMINARY COST ESTIMATE
GABBARD ROAD
WESTERN ROCKCASTLE WATER ASSOCIATION
GARRARD COUNTY, KENTUCKY
JANUARY 2003

ITEM NO.	DESCRIPTION	QUANTITY	UNIT COST	TOTAL COST
1	3-Inch Water Line	2,700 LF	\$4.00	\$10,800.00
4	3-Inch Gate Valve	1 EA	400.00	400.00
5	Connection	1 EA	1,000.00	1,000.00
7	Meter Setting	3 EA	300.00	900.00
8	3/4-Inch Service Tubing	150 LF	2.50	375.00
Subtotal				\$13,475.00
Contingency				<u>1,347.50</u>
TOTAL COST				\$14,822.50
Average Cost/Customer				\$4,941

PRELIMINARY COST ESTIMATE
COPPER CREEK ROAD WATERLINE REPLACEMENT
WESTERN ROCKCASTLE WATER ASSOCIATION
ROCKCASTLE COUNTY, KENTUCKY
JANUARY 2003

ITEM NO.	DESCRIPTION	QUANTITY	UNIT COST	TOTAL COST
1	3-Inch Water Line	6,400 LF	\$6.00	\$38,400.00
2	Bore & Case for 3-Inch WL	40 LF	50.00	2,000.00
4	3-Inch Gate Valve	4 EA	400.00	1,600.00
5	Connection	2 EA	1,000.00	2,000.00
9	Pressure Reducing Station	1 EA	15,000.00	15,000.00
11	Meter Reconnects	3 EA	400.00	1,200.00
Subtotal				\$60,200.00
Contingency				<u>6,020.00</u>
TOTAL COST				<u>\$66,220.00</u>

PRELIMINARY COST ESTIMATE
COPPER CREEK ROAD CREEK CROSSING
WESTERN ROCKCASTLE WATER ASSOCIATION
ROCKCASTLE COUNTY, KENTUCKY
JANUARY 2003

ITEM NO.	DESCRIPTION	QUANTITY	UNIT COST	TOTAL COST
1	3-Inch Water Line	200 LF	\$5.00	\$1,000.00
3	Creek Crossing for 3-Inch WI	120 LF	80.00	9,600.00
4	3-Inch Gate Valve	2 EA	400.00	800.00
5	Connection	2 EA	1,000.00	2,000.00
Subtotal				\$13,400.00
Contingency				1,340.00
TOTAL COST				<u>\$14,740.00</u>

PRELIMINARY COST ESTIMATE
KENTUCKY HIGHWAY 1505
PRESSURE REDUCING STATION REPLACEMENT
WESTERN ROCKCASTLE WATER ASSOCIATION
ROCKCASTLE COUNTY, KENTUCKY
JANUARY 2003

ITEM NO.	DESCRIPTION	QUANTITY	UNIT COST	TOTAL COST
10	Pressure Reducing Station Replacement	1 EA	\$20,000.00	\$20,000.00
			Subtotal	\$20,000.00
			Contingency	<u>2,000.00</u>
			TOTAL COST	<u>\$22,000.00</u>

**PRELIMINARY COST ESTIMATE
WATER SYSTEM EXTENSIONS & IMPROVEMENTS
WESTERN ROCKCASTLE WATER ASSOCIATION
ROCKCASTLE, LINCOLN, PULASKI, AND GARRARD COUNTIES, KENTUCKY
JANUARY 2003**

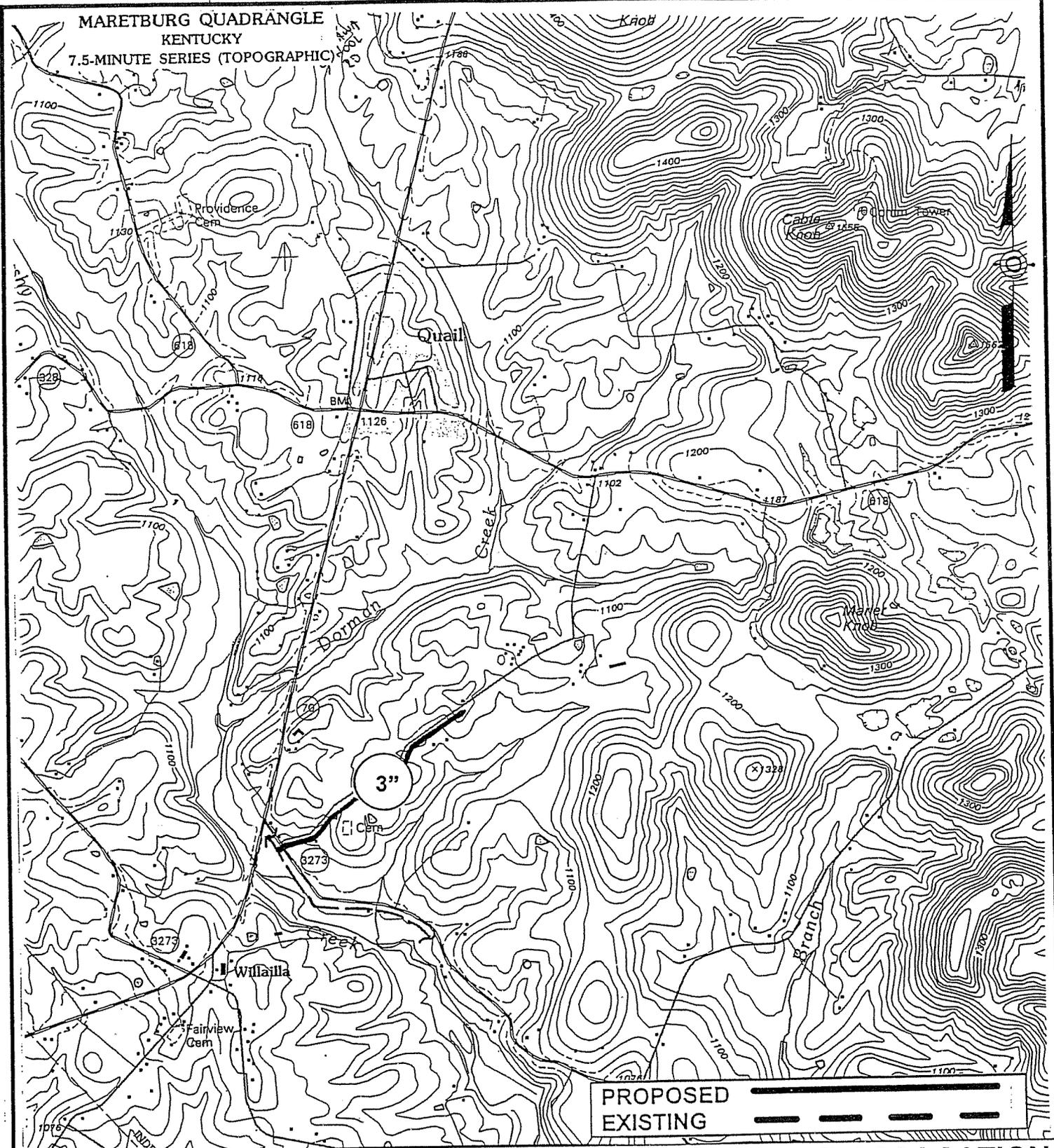
PROJECT COSTS:

DEVELOPMENT	\$363,600.00
CONTINGENCY	36,400.00
ENGINEERING DESIGN	39,000.00
CONSTRUCTION INSPECTION	28,000.00
ADDITIONAL ENGINEERING	20,000.00
LEGAL	15,000.00
INTEREST	<u>10,000.00</u>
TOTAL PROJECT COST	\$512,000.00

PROJECT FINANCING

OWNER CONTRIBUTION	\$12,000.00
APPALACHAIN REGIONAL COMMISSION	250,000.00
RURAL DEVELOPMENT GRANT	125,000.00
RURAL DEVELOPMENT LOAN	<u>125,000.00</u>
TOTAL PROJECT FINANCING	\$512,000.00

MARETBURG QUADRANGLE
KENTUCKY
7.5-MINUTE SERIES (TOPOGRAPHIC)



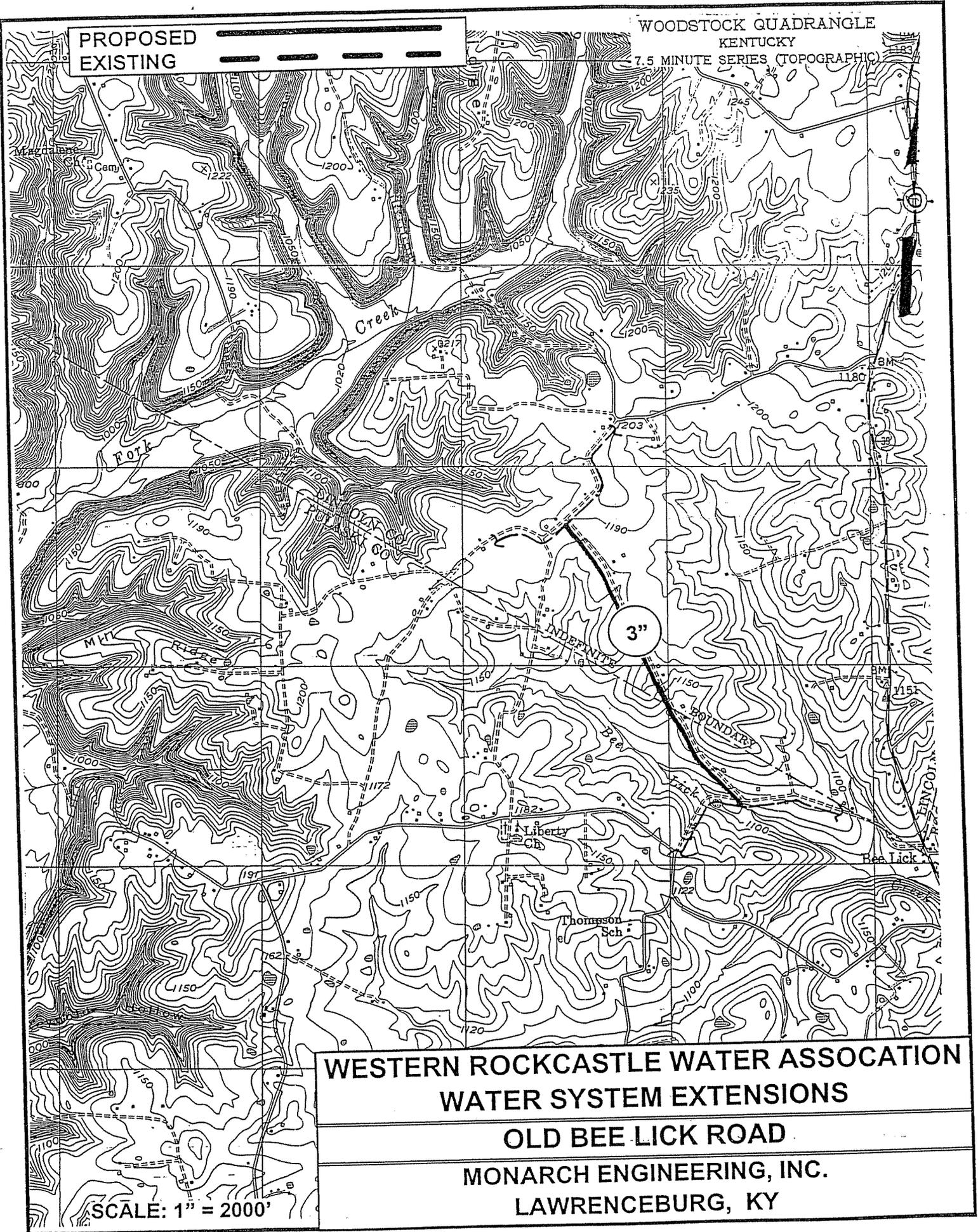
PROPOSED
EXISTING

WESTERN ROCKCASTLE WATER ASSOCIATION
WATER SYSTEM EXTENSIONS
JOHN MASON BROWN ROAD
MONARCH ENGINEERING, INC.
LAWRENCEBURG, KY

SCALE: 1" = 2000'

PROPOSED
EXISTING

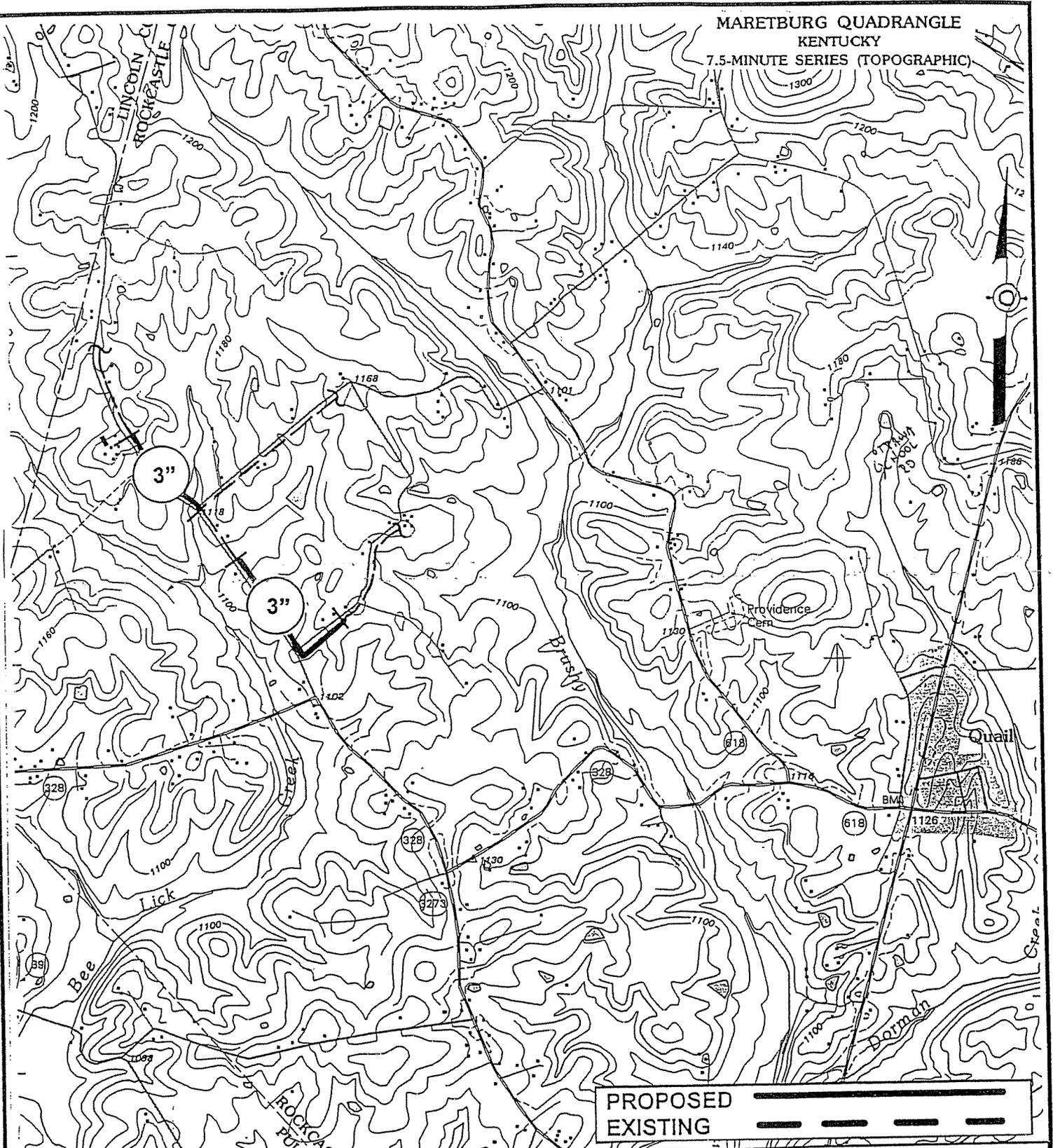
WOODSTOCK QUADRANGLE
KENTUCKY
7.5 MINUTE SERIES (TOPOGRAPHIC)



WESTERN ROCKCASTLE WATER ASSOCIATION
WATER SYSTEM EXTENSIONS

OLD BEE LICK ROAD

MONARCH ENGINEERING, INC.
LAWRENCEBURG, KY



PROPOSED ———
EXISTING - - - - -

**WESTERN ROCKCASTLE WATER ASSOCIATION
WATER SYSTEM EXTENSIONS**

JOHN CASH ROAD

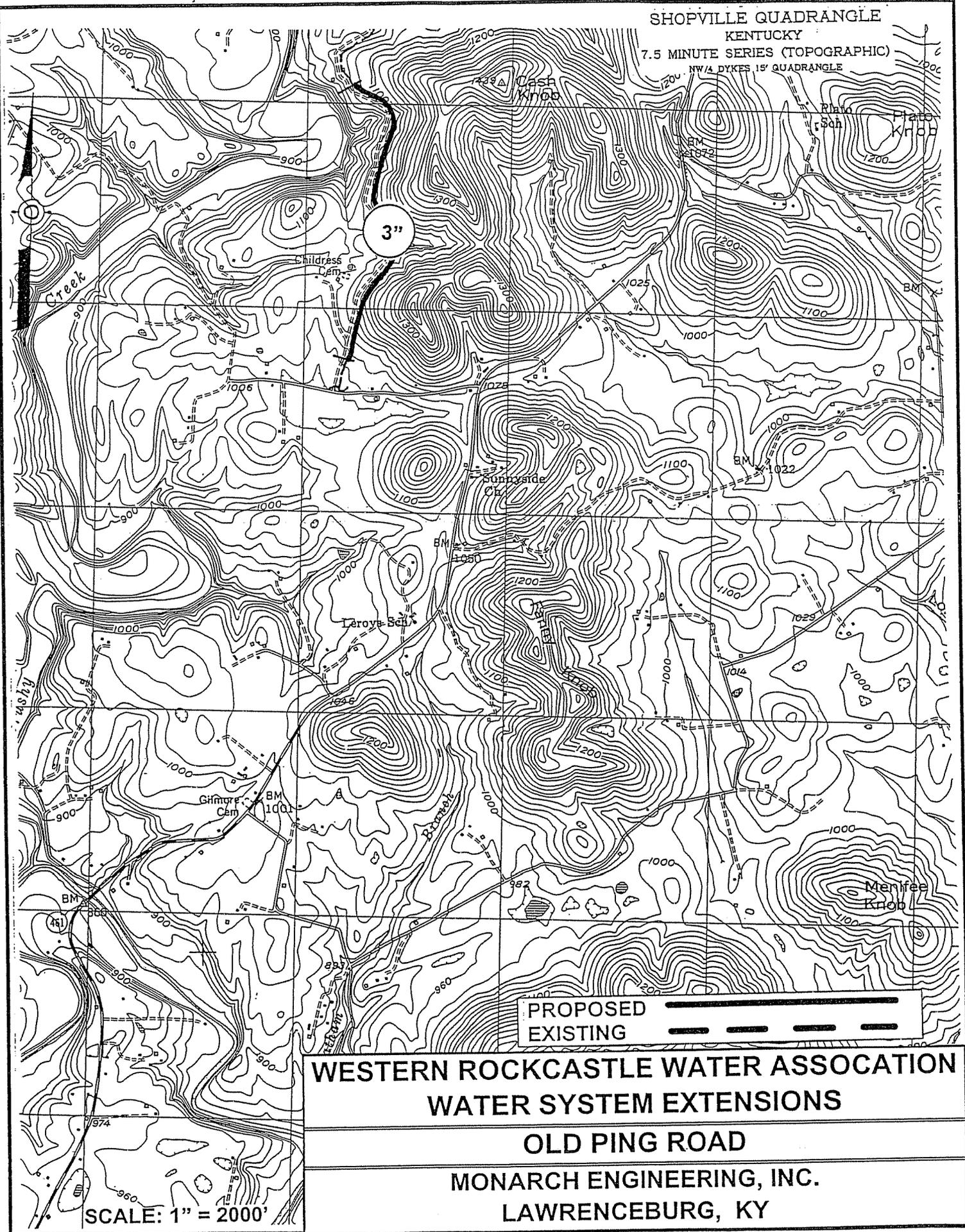
**MONARCH ENGINEERING, INC.
LAWRENCEBURG, KY**

SCALE: 1" = 2000'

SHOPVILLE QUADRANGLE
KENTUCKY

7.5 MINUTE SERIES (TOPOGRAPHIC)

NW 1/4 DYKES 15' QUADRANGLE



3''

PROPOSED —————
EXISTING - - - - -

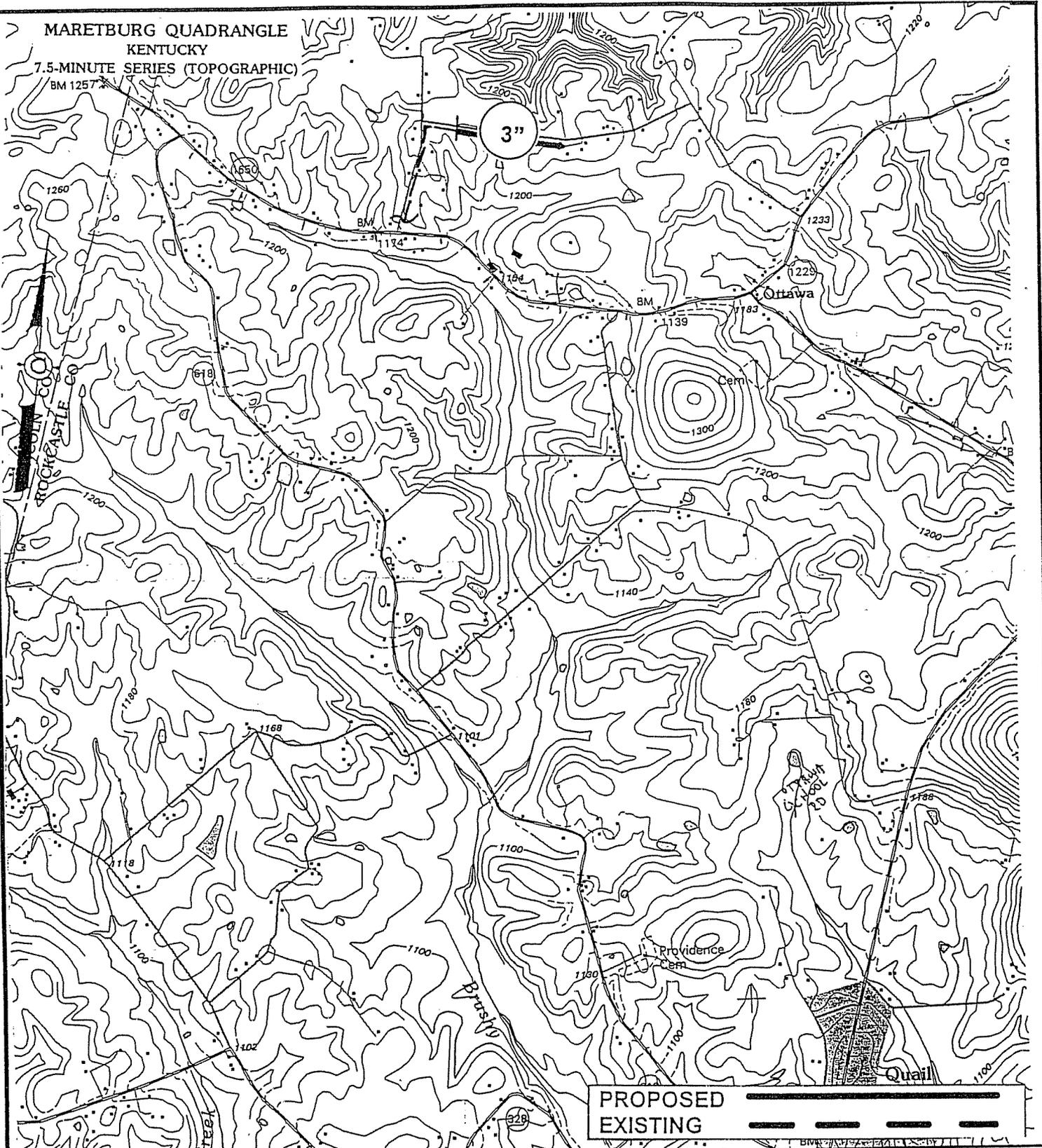
**WESTERN ROCKCASTLE WATER ASSOCIATION
WATER SYSTEM EXTENSIONS**

OLD PING ROAD

**MONARCH ENGINEERING, INC.
LAWRENCEBURG, KY**

SCALE: 1" = 2000'

MARETBURG QUADRANGLE
KENTUCKY
7.5-MINUTE SERIES (TOPOGRAPHIC)
BM 1257



PROPOSED —————
EXISTING - - - - -

WESTERN ROCKCASTLE WATER ASSOCIATION
WATER SYSTEM EXTENSIONS
LASWELL GENTRY ROAD
MONARCH ENGINEERING, INC.
LAWRENCEBURG, KY

SCALE: 1" = 2000'

PROPOSED
EXISTING



BRODHEAD QUADRANGLE

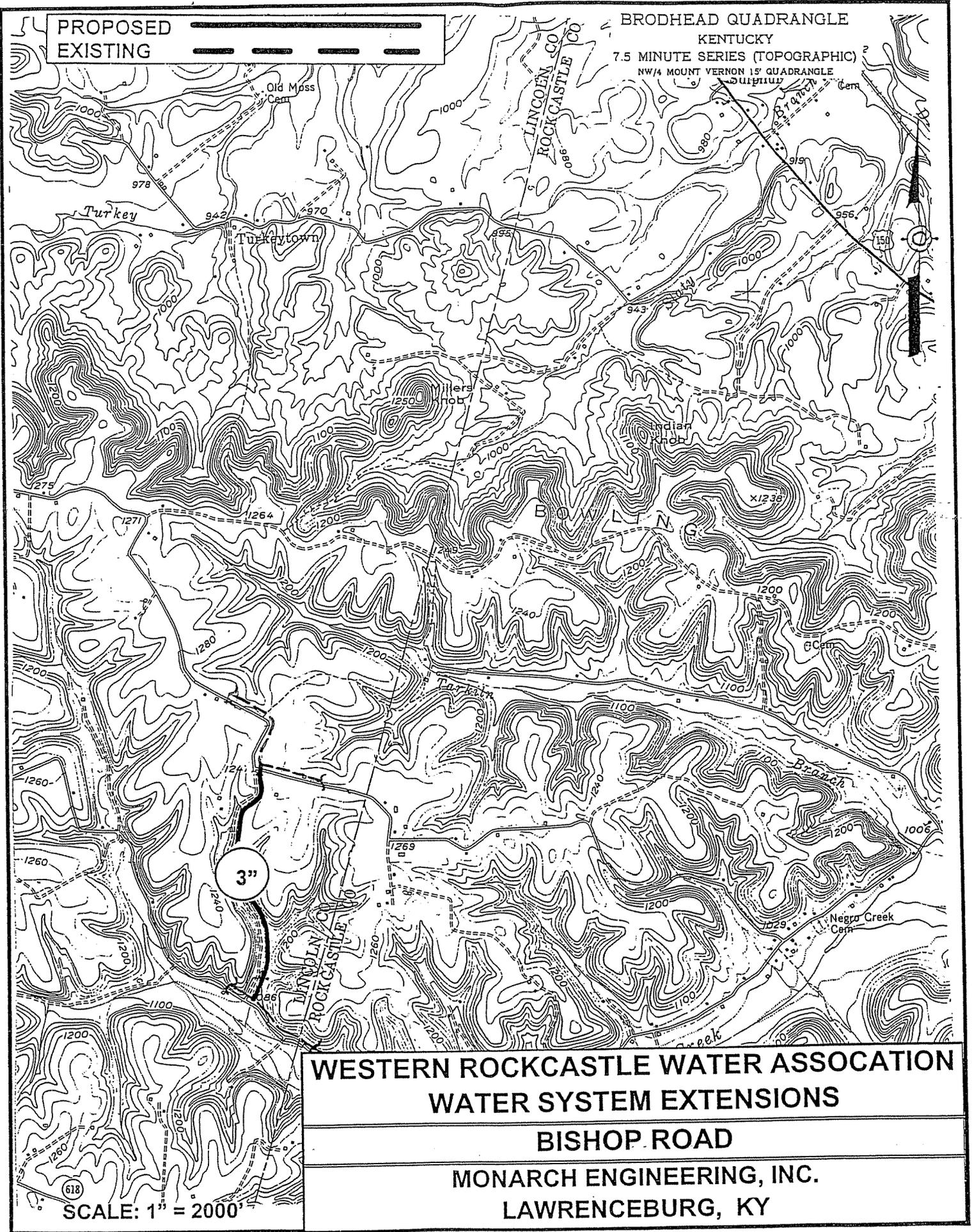
KENTUCKY

7.5 MINUTE SERIES (TOPOGRAPHIC)

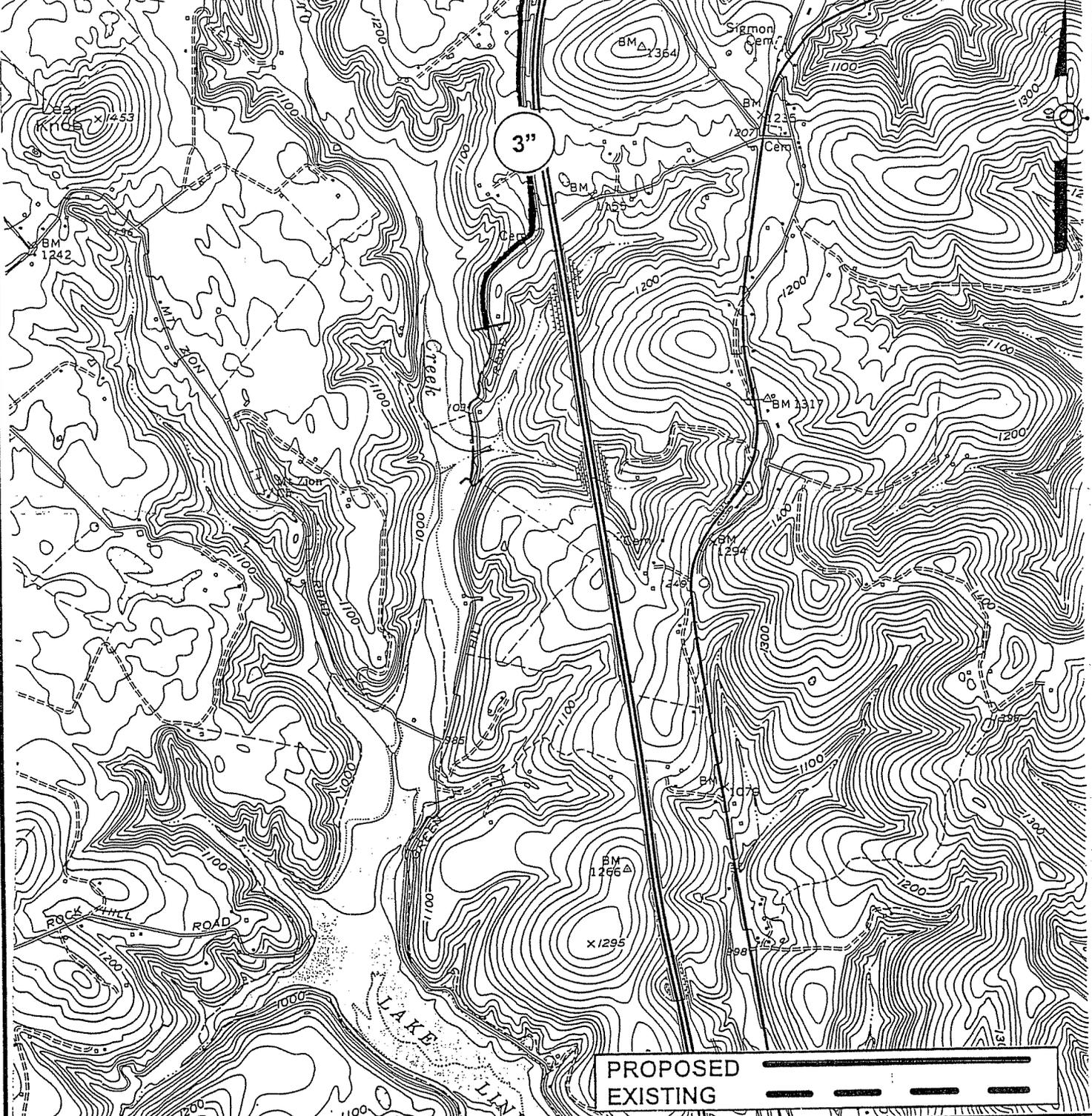
NW/4 MOUNT VERNON 15' QUADRANGLE

WESTERN ROCKCASTLE WATER ASSOCIATION
WATER SYSTEM EXTENSIONS
BISHOP ROAD
MONARCH ENGINEERING, INC.
LAWRENCEBURG, KY

SCALE: 1" = 2000'



WILDIE QUADRANGLE
KENTUCKY
7.5 MINUTE SERIES (TOPOGRAPHIC)
NE 1/4 MOUNT VERNON 15' QUADRANGLE



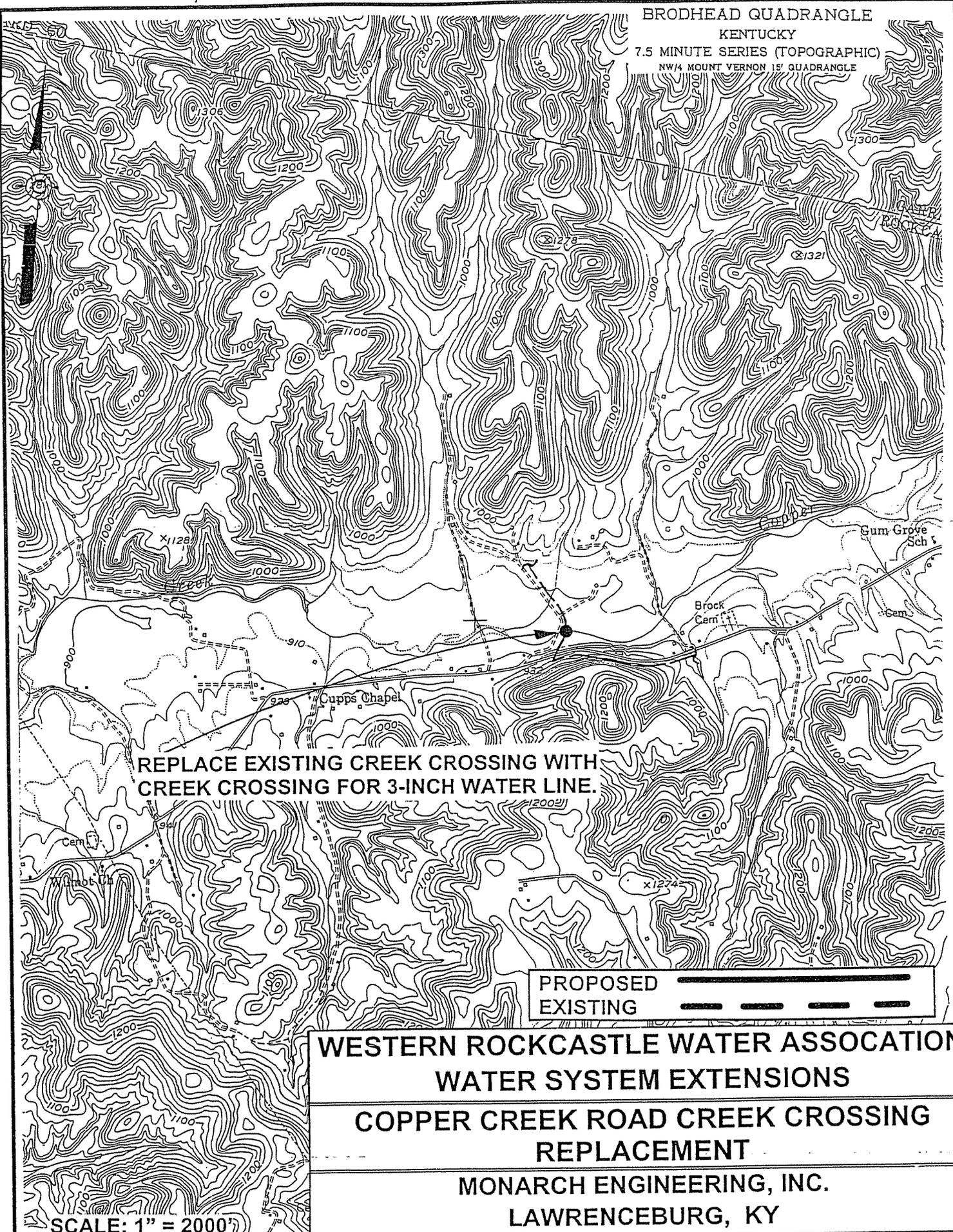
**WESTERN ROCKCASTLE WATER ASSOCIATION
WATER SYSTEM EXTENSIONS**

LAKE ROAD

**MONARCH ENGINEERING, INC.
LAWRENCEBURG, KY**

SCALE: 1" = 2000'

BRODHEAD QUADRANGLE
KENTUCKY
7.5 MINUTE SERIES (TOPOGRAPHIC)
NW/4 MOUNT VERNON 15' QUADRANGLE



REPLACE EXISTING CREEK CROSSING WITH
CREEK CROSSING FOR 3-INCH WATER LINE.

PROPOSED —————
EXISTING - - - - -

**WESTERN ROCKCASTLE WATER ASSOCIATION
WATER SYSTEM EXTENSIONS**

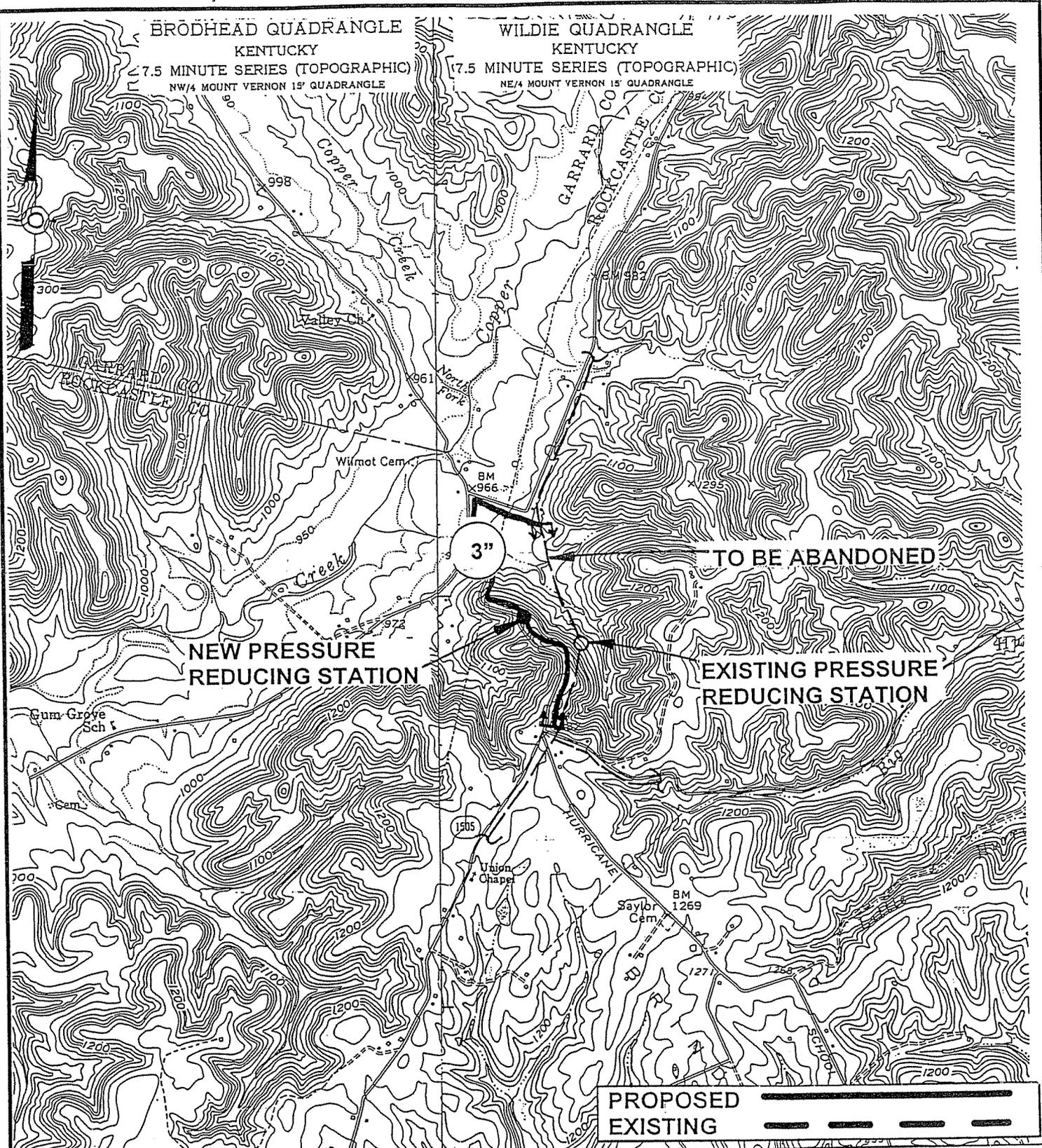
**COPPER CREEK ROAD CREEK CROSSING
REPLACEMENT**

**MONARCH ENGINEERING, INC.
LAWRENCEBURG, KY**

SCALE: 1" = 2000'

BRÖDHEAD QUADRANGLE
KENTUCKY
7.5 MINUTE SERIES (TOPOGRAPHIC)
NW/4 MOUNT VERNON 15' QUADRANGLE

WILDIE QUADRANGLE
KENTUCKY
7.5 MINUTE SERIES (TOPOGRAPHIC)
NE/4 MOUNT VERNON 15' QUADRANGLE



**NEW PRESSURE
REDUCING STATION**

TO BE ABANDONED

**EXISTING PRESSURE
REDUCING STATION**

PROPOSED ———
EXISTING - - - - -

**WESTERN ROCKCASTLE WATER ASSOCIATION
WATER SYSTEM EXTENSIONS
COPPER CREEK ROAD WATER LINE REPLACEMENT
MONARCH ENGINEERING, INC.
LAWRENCEBURG, KY**

SCALE: 1" = 2000'

WILDIE QUADRANGLE
KENTUCKY
7.5 MINUTE SERIES (TOPOGRAPHIC)
NE 74 MOUNT VERNON 15' QUADRANGLE

3"

PROPOSED —————
EXISTING - - - - -

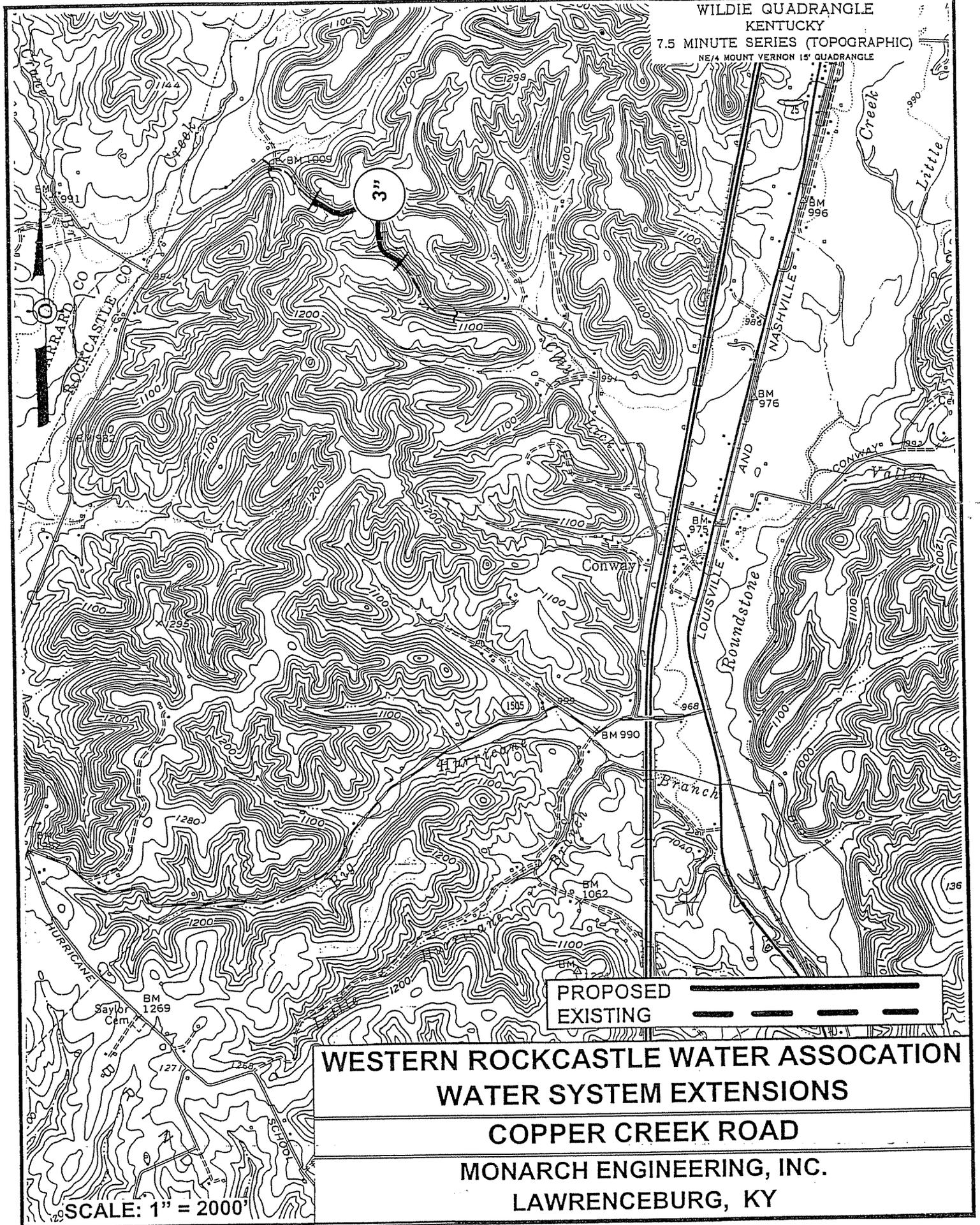
**WESTERN ROCKCASTLE WATER ASSOCIATION
WATER SYSTEM EXTENSIONS**

COPPER CREEK ROAD

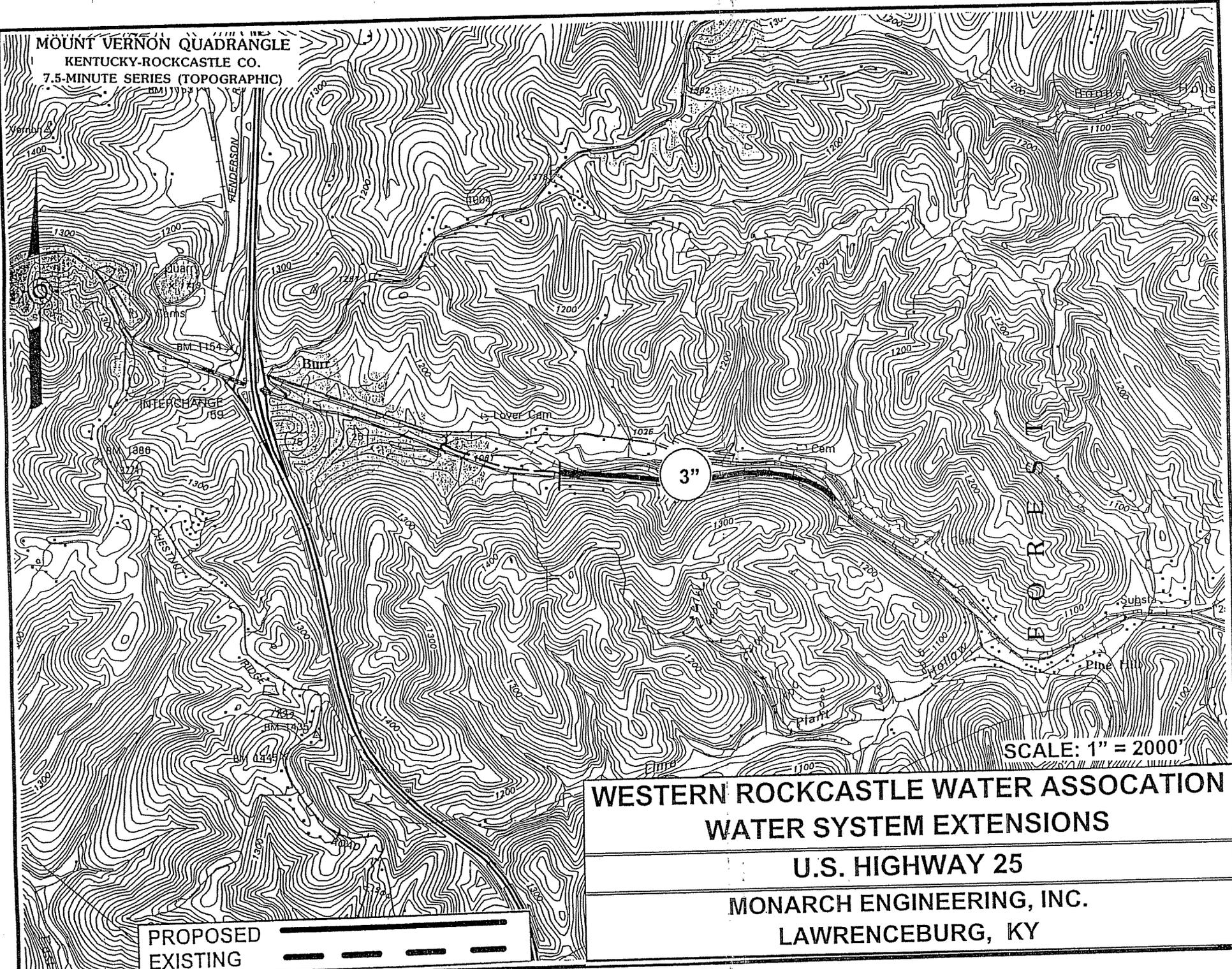
MONARCH ENGINEERING, INC.

LAWRENCEBURG, KY

SCALE: 1" = 2000'



MOUNT VERNON QUADRANGLE
KENTUCKY-ROCKCASTLE CO.
7.5-MINUTE SERIES (TOPOGRAPHIC)

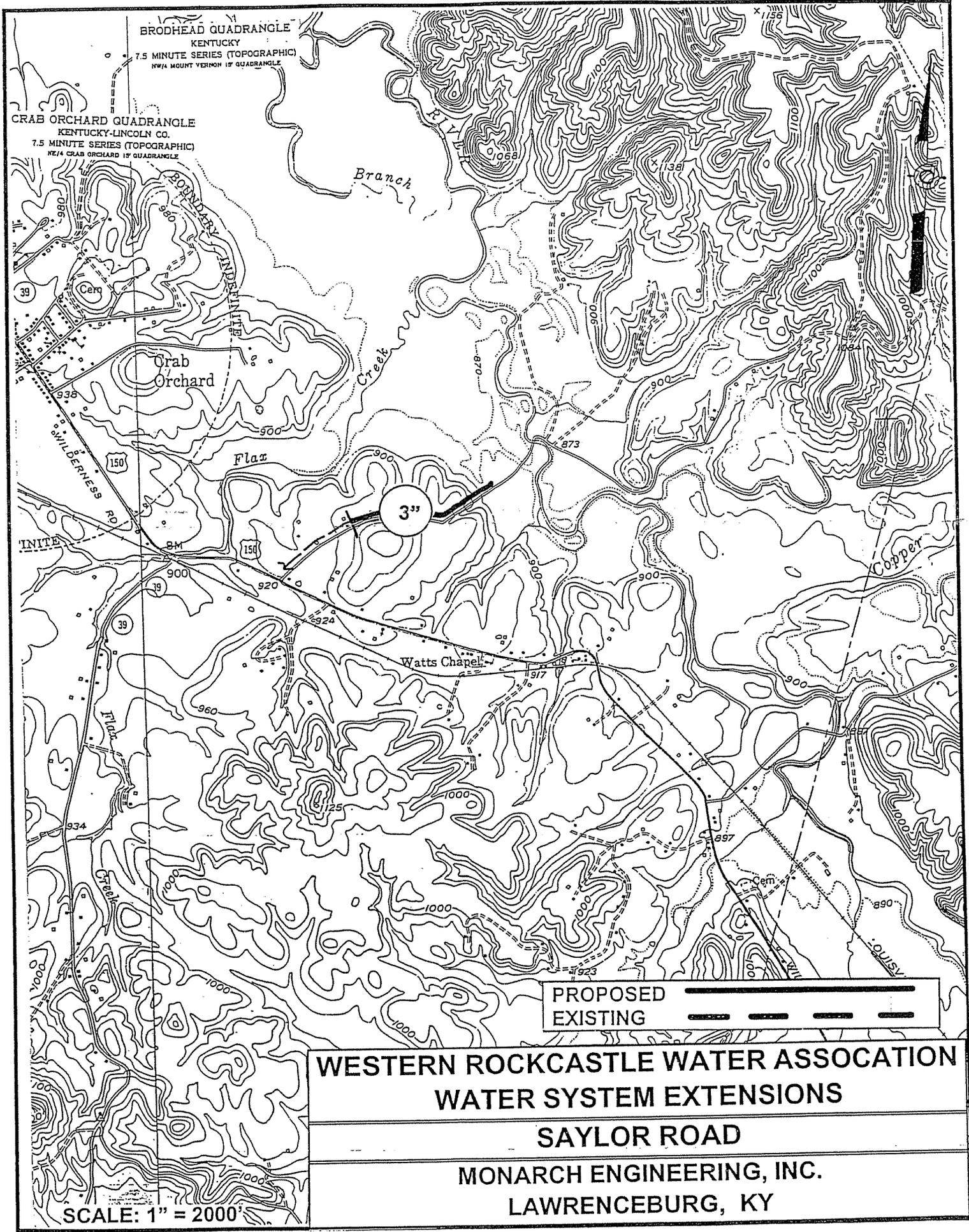


WESTERN ROCKCASTLE WATER ASSOCIATION
WATER SYSTEM EXTENSIONS

U.S. HIGHWAY 25
MONARCH ENGINEERING, INC.
LAWRENCEBURG, KY

PROPOSED —————
EXISTING - - - - -

SCALE: 1" = 2000'



BRODHEAD QUADRANGLE
 KENTUCKY
 7.5 MINUTE SERIES (TOPOGRAPHIC)
 NW/4 MOUNT VERNON 15' QUADRANGLE

CRAB ORCHARD QUADRANGLE
 KENTUCKY-LINCOLN CO.
 7.5 MINUTE SERIES (TOPOGRAPHIC)
 NE/4 CRAB ORCHARD 15' QUADRANGLE

PROPOSED ———
 EXISTING - - - -

**WESTERN ROCKCASTLE WATER ASSOCIATION
 WATER SYSTEM EXTENSIONS**

SAYLOR ROAD

**MONARCH ENGINEERING, INC.
 LAWRENCEBURG, KY**

SCALE: 1" = 2000'

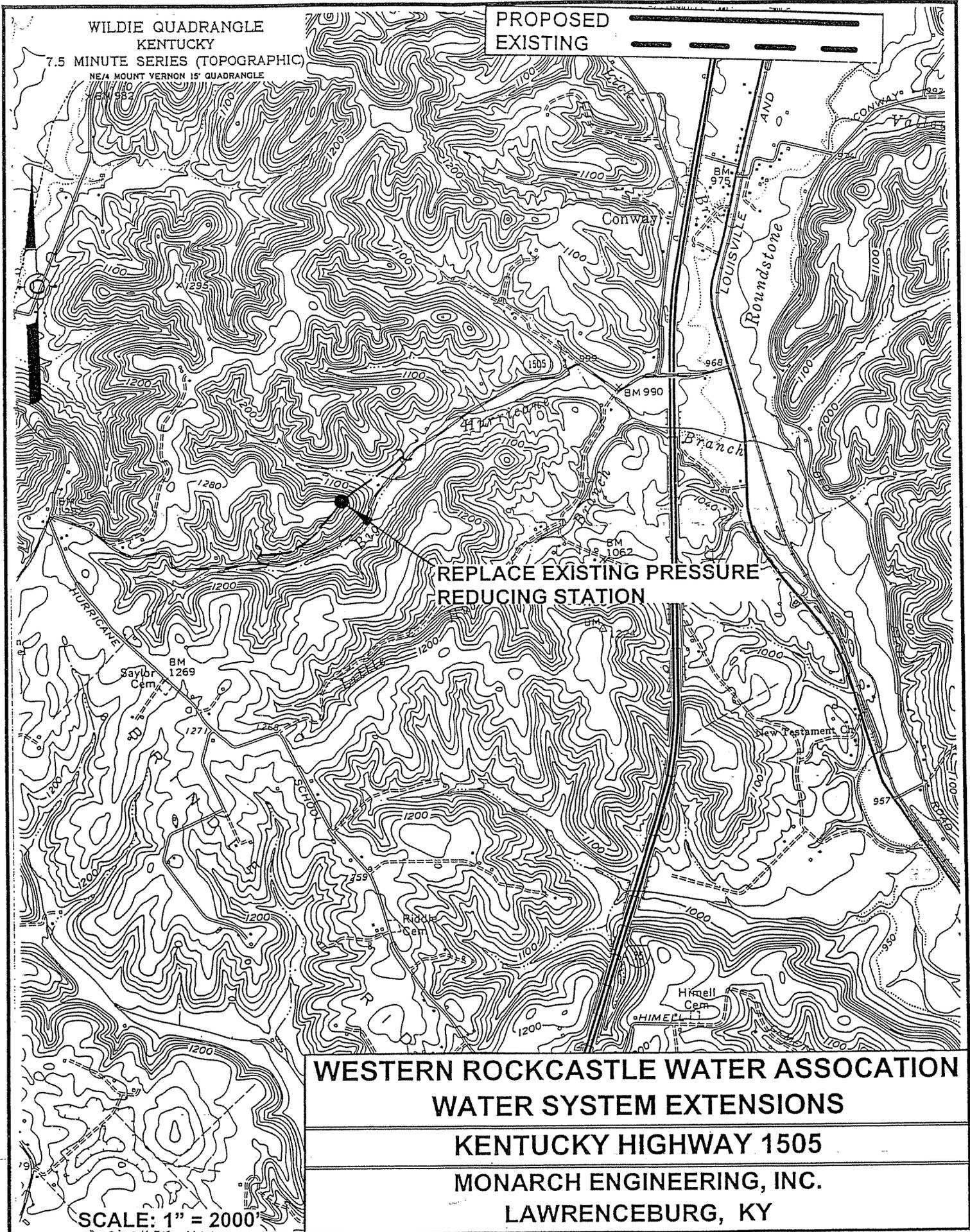
WILDIE QUADRANGLE
KENTUCKY
7.5 MINUTE SERIES (TOPOGRAPHIC)
NE 1/4 MOUNT VERNON 15' QUADRANGLE

PROPOSED
EXISTING

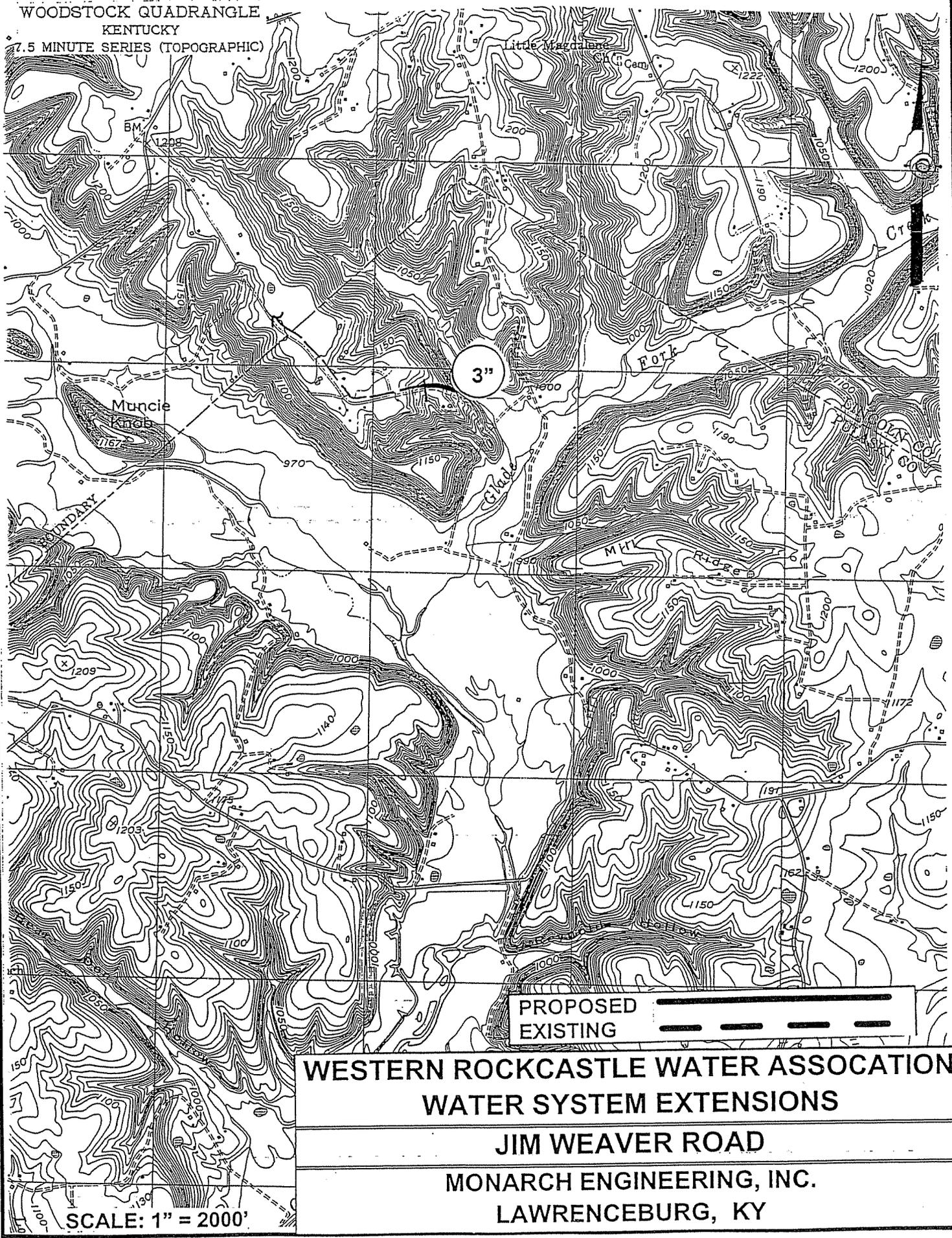
REPLACE EXISTING PRESSURE
REDUCING STATION

WESTERN ROCKCASTLE WATER ASSOCIATION
WATER SYSTEM EXTENSIONS
KENTUCKY HIGHWAY 1505
MONARCH ENGINEERING, INC.
LAWRENCEBURG, KY

SCALE: 1" = 2000'



WOODSTOCK QUADRANGLE
KENTUCKY
7.5 MINUTE SERIES (TOPOGRAPHIC)



**WESTERN ROCKCASTLE WATER ASSOCIATION
WATER SYSTEM EXTENSIONS**

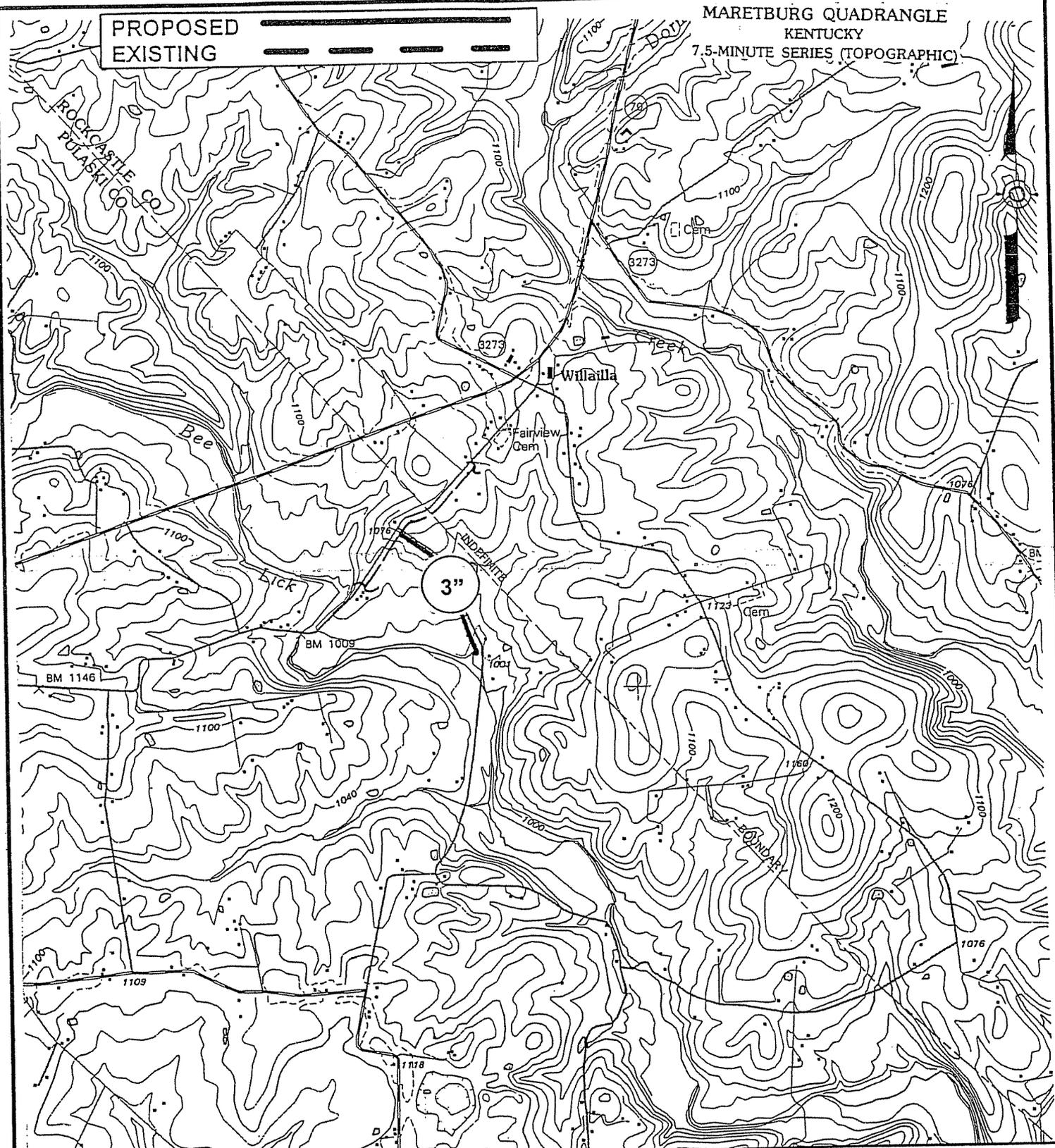
JIM WEAVER ROAD

**MONARCH ENGINEERING, INC.
LAWRENCEBURG, KY**

SCALE: 1" = 2000'

PROPOSED
EXISTING

MARETBURG QUADRANGLE
KENTUCKY
7.5-MINUTE SERIES (TOPOGRAPHIC)



**WESTERN ROCKCASTLE WATER ASSOCIATION
WATER SYSTEM EXTENSIONS**

BEE LICK CREEK ROAD

MONARCH ENGINEERING, INC.

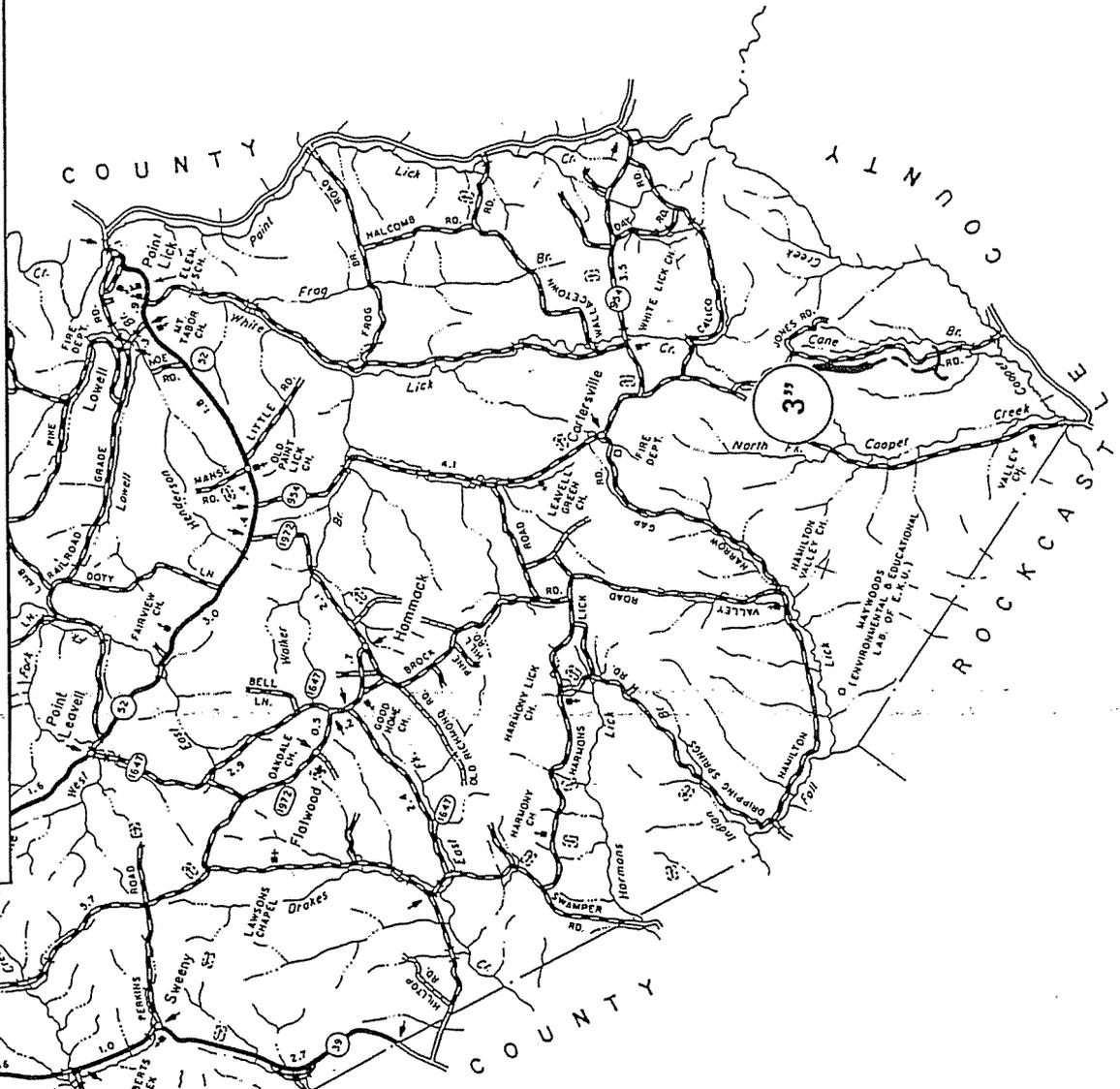
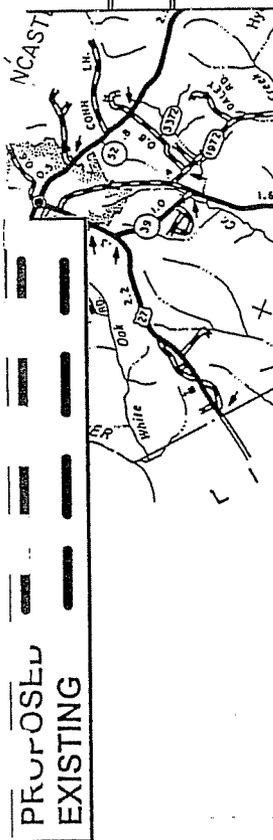
LAWRENCEBURG, KY

SCALE: 1" = 2000'

WEVER ROAD CANTON JARRASO...
WATER SYSTEM EXTENSIONS

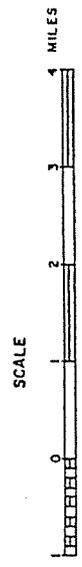
GABBARD ROAD

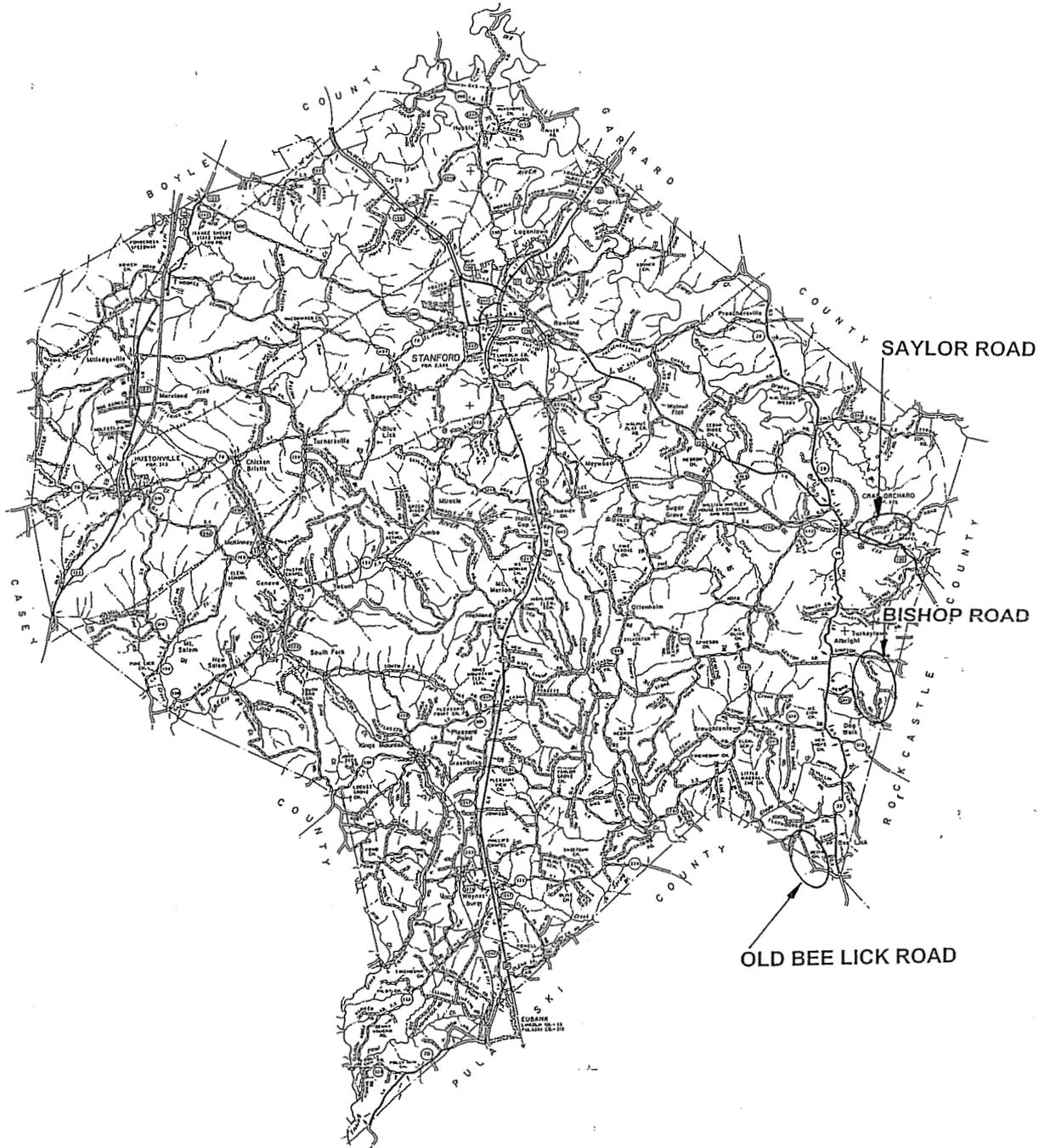
MONARCH ENGINEERING, INC.
LAWRENCEBURG, KY



GARRARD COUNTY
KENTUCKY

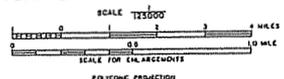
Kentucky Transportation Cabinet
 Department of Highways
 Division of Planning





1992 EDITION
 GENERAL HIGHWAY MAP
LINCOLN COUNTY
 KENTUCKY

PREPARED BY THE
 KENTUCKY TRANSPORTATION CABINET
 DEPARTMENT OF HIGHWAYS
 DIVISION OF PLANNING
 IN COOPERATION WITH THE
 U.S. DEPARTMENT OF TRANSPORTATION
 FEDERAL HIGHWAY ADMINISTRATION



COPPER CREEK ROAD

KENTUCKY HIGHWAY 1505
PRESSURE REDUCING STATION
REPLACEMENT

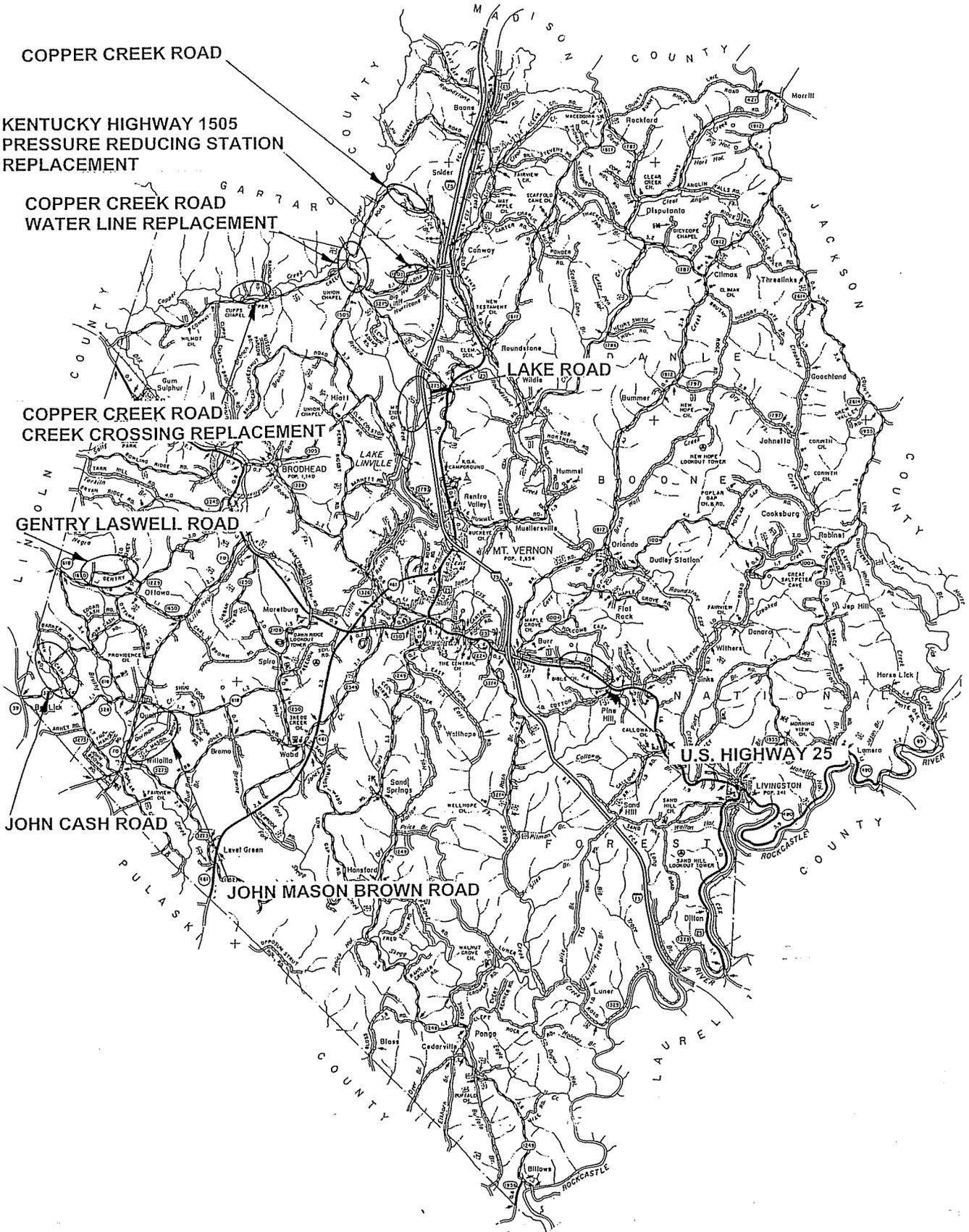
COPPER CREEK ROAD
WATER LINE REPLACEMENT

COPPER CREEK ROAD
CREEK CROSSING REPLACEMENT

GENTRY LASWELL ROAD

JOHN CASH ROAD

JOHN MASON BROWN ROAD



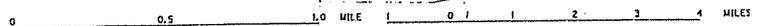
1994 EDITION

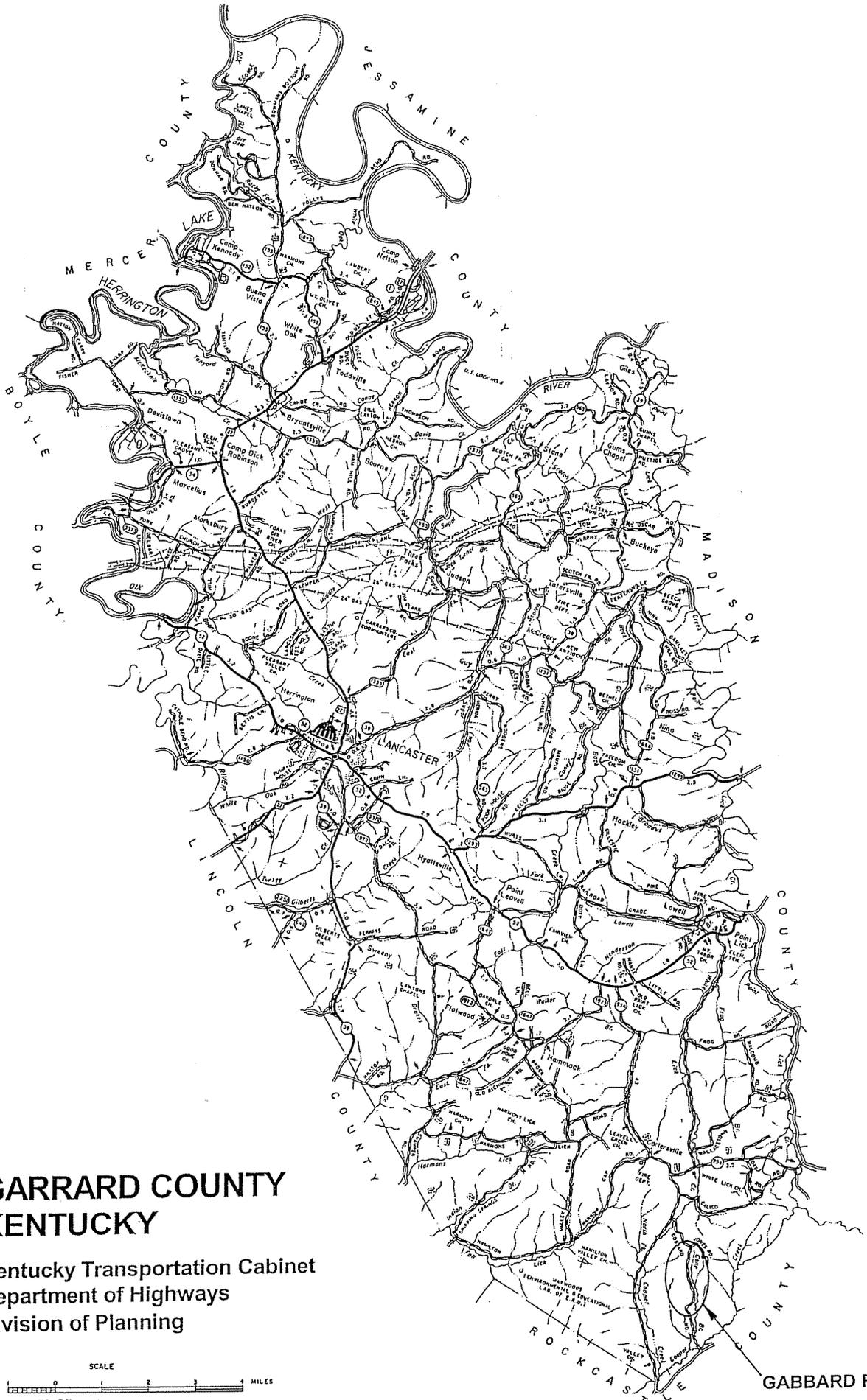
GENERAL HIGHWAY MAP
ROCKCASTLE COUNTY
KENTUCKY

PREPARED BY THE
KENTUCKY TRANSPORTATION CABINET
DEPARTMENT OF HIGHWAYS
DIVISION OF PLANNING
IN COOPERATION WITH THE
U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION

SCALE 1:25000

POLYCONIC PROJECTION





**GARRARD COUNTY
KENTUCKY**

Kentucky Transportation Cabinet
Department of Highways
Division of Planning



GABBARD ROAD



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To

Ms. Beth O'Donnell
Executive Director
P.O. Box 615
Kentucky Public Service Commission
Frankfort, Kentucky 40602

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COMMISSION

